

Sales Management Management





Sales Boom for Luxury Products in 1939? A New Ross Federal Survey

What Kind of Sales Appeal Will Attract — and Sell — the "Carriage Trade"?

Significant Trends — Scratch Pad — Future Sales Ratings — The Human Side

The Idea That Stopped Waste

Circulation control increased advertising efficiency

A number of years ago, a group of business magazine publishers looked a mean problem squarely in the face. Advertisers had become too sophisticated for comfort. They were asking, "We know you have so-and-so many thousand circulation and much of it is good, but why do we find so many key men in our market are not reached by your publication? We know that you can't sell subscriptions to all the key men we must reach—we can't sell 100% of our market either. But what about the key men you can't get? And doesn't the size of your circulation with so many key men "missing" indicate that many of your subscriptions are from men with little buying power or buying authority?"

These publishers stopped arguing and went to work. They reasoned that the only answer to these questions was *controlled* circulation . . . scientific

market coverage on the basis of buying power and authority. They spent their funds on market research, scientific list building, and improved editorial in place of a top-heavy subscription sales cost. They built magazines that insisted on attention and placed them accurately in the hands of those men who made up the buying market. Thus, was born the idea of controlled circulation.

Such controlled circulation can now be purchased by an advertiser with a full knowledge of facts, thanks to the C. C. A. (Controlled Circulation Audit) which serves the same purpose in the controlled circulation field as the A. B. C. (Audit Bureau of Circulations) does in the paid field. You know exactly what you buy and you know where it comes from. Make any sort of a comparative test you desire. Let results show you how circulation control improves advertising efficiency.

THIS ADVERTISEMENT IS SPONSORED AND PAID FOR BY THESE LEADING C.C.A. PUBLICATIONS

AMERICAN POLICE REVIEW BAKERS REVIEW BANKERS MONTHLY BETTER ROADS BEVERAGE RETAILER WEEKLY COMPRESSED AIR MAGAZINE CONSTRUCTION DIGEST CONTRACTORS & EN-GINEERS MONTHLY DIESEL PROGRESS DRUG TOPICS **DUN'S REVIEW** ELECTRIC LIGHT & POWER ELECTRICAL DEALER ELECTRICAL MANUFACTURING EXCAVATING ENGINEER FLEET OWNER

GOLFDOM
HITCHCOCK'S MACHINE
TOOL BLUE BOOK
HOSPITAL TOPICS & BUYER
INDUSTRIAL EQUIPMENT
NEWS
INDUSTRIAL POWER
INDUSTRY & WELDING
JOBBER TOPICS
LIQUOR STORE &
DISPENSER
MACHINE DESIGN
MEAT
MEDICAL ECONOMICS



MILL & FACTORY
MODERN MACHINE SHOP
NATIONAL JEWELER
NEW EQUIPMENT DIGEST
The OFFICE

Magazine of Office Equipment
PETROLEUM MARKETER
PREMIUM PRACTICE
PROGRESSIVE GROCER
ROADS AND STREETS
RUG PROFITS
SODA FOUNTAIN
SUPER SERVICE STATION
SYNDICATE STORE
MERCHANDISER
TIRES
WHAT'S NEW IN HOME
ECONOMICS
WOOD PRODUCTS

CONTROLLED CIRCULATION PUBLICATIONS

THIS WEEK MAGAZINE is "going to town"...



t the close of 1938, advertisers had already invested \$10,325,168 in This Week

They've upped our space sales from \$1,229,043 in 1935 to \$3,373,950 in 1938.

They've raised This Week from 24th place among all magazines in 1935, to 12th place in 1938.

And here's why they're helping This Week "go to town"-

because – that's where advertisers want to go!

Advertisers know the Big Town is the place to make volume sales at a profit.

They know most national magazines don't concentrate heavily enough on the big city markets.

They know This WEEK MACAZINE does.

In its 24 key markets from coast to coast, This Week reaches 800,000 more homes than the top weekly, the top women's magazine, and the top monthly, combined. (And that's not counting duplication!)





Bow-wow, Arf-arf?

Word has just come through, by dog sledge, of the heavy Christmas mail which Mrs. J. Haley sent out from her "Halecrest" kennels in Seattle. To every canine visitor at her establishment, whether he stayed for a week-end or months, she sent a holiday greeting card.

Some 400 cards were addressed to as many Fidos, Rovers, and Dukes in care of their masters. It meant keeping careful records during the year, but it also meant a ready-made list for good will building and advertising.

One of the recipients sent Mrs. Haley a card in return. The "writer," a German shepherd, royally signed herself "Cleopatra." Mrs. H. growled with pleasure.

New York's Small-Town Newspaper

At a N. Y. gathering of 21 Union League club members, someone suggested that each write his most cherished ambition on a slip of paper. The suggestion was followed, and when the papers were examined it was found that 14 of the 21 had expressed a desire to publish a small-town newspaper. W. G. Bryan was the only one of the group already realizing his ambition, and paradoxically, his "small-town" paper is being published in the largest city in the world. It is *The Villager*, 25,000 circulation, issued from New York's much-publicized Greenwich Village, a folksy 16-page publication that averages 50% advertising instead of the usual 40% that the ordinary newspaper is glad to have.

For 20 years Bryan headed a newspaper consultant firm that bore his name and served some three dozen leading U. S. newspapers. He had started as a carrier boy for the Fulton, Mo., Sun, at 50 cents a week, and had been associated with newspapers since child-hood. So, when the depression crippled his firm in the early 1930's, he decided to return to his first love, the small-town newspaper.

One day as he was strolling through Greenwich Village with his sister and business associate, Isabel Bryan, he said, "Here's our small town—made to order. We'll start a paper here." Miss Bryan was cool to the idea. She did not deny that Greenwich Village is a small town—"but people think of it as being Bohemian," she objected. Her brother made a two-months' investigation among the section's bankers, real estate men, ministers, store-keepers, and learned that the district was the "sixth richest of the 26 in N. Y., the highest in percentage of home ownership, and a population of 100,000 in its 1½ square-mile area."

Launched as a weekly, April 13, 1933, the first issue carried 13 advertisements. Ranking high, typographically, and carrying the work of such distinguished contributors as author Frank Parker Stockbridge and artist Edward Caswell, the paper has been relatively expensive to produce. There were lean days at first, says Bryan. "When Hearn's store used double pages, there were rumors that they subsidized us. When Wanamaker's began to advertise with us, people said they owned us. Sometimes I wished

they did. We would have been glad to get a loan from one of the banks in those days. Now that we don't need it, the banks come to us offering loans."

Most of the circulation is given away, delivered by 25 carriers, assisted by truck and car, to Village homes, apartment houses and hotels. There are approximately 1,500 mail copies, for which subscribers pay \$2.50 a year. There is also some sale through Greenwich Village newsstands. Despite the manner of its distribution, The Villager is carefully read by a large part of the section's population.

There's quite a country-town flavor to the paper. Personal items under the heading, "The Town Crier," are similar to those one might find in the *Podunk Gazette*. A large percentage of the Village's residents were reared in the hinterland—which means that they go back home for vacations, and their homefolks come to visit them. This provides material for *The Villager's* columns, which are edited with the idea that John Public likes to see his name in print.



Just like Lucius Beebe, Scoopy knows practically all the worth while people and makes a handsome living writing about them. Scoopy conducts a column in *The Villager* called "Scoopy Mewses."

The folkiest department in the paper is "Scoopy Mewses," supposedly conducted by Scoopy, the office cat, a well-known Village character. Scoopy gets a lot of fan mail, including air mail letters and telegrams, and gifts of catnip, toys, basket-beds. He received a fine collection of Christmas cards, practically all of them bearing pictures of cats in some form or another. His column contains news about his cat chums and the humans they "own." In Scoopy's world pets own their masters.

Like any other country newspaper, The Villager gets all sorts of odd requests, such as, "Help us to find someone to serve our Christmas dinner." "Where can I get a cut glass punch bowl?" A common request is for aid in finding lost pets. Long ago a Villager reporter learned a method that often works. "Go to the uptown pet shops and talk in a loud voice. If your dog has been stolen and sold to one of the stores, he'll bark when he hears your voice." When animals are located through this method, the paper doesn't publish the news as a theft story, but through some such simple announcement as "Rover is home again."

The Villager publishes no news of thefts, murders, domestic difficulties, scandals, labor troubles. Some Village realists scoff, calling this Pollyanna journalism, but Bryan has the last laugh, as his theory is being vindicated through the success of the paper. Since it was started at least six other publications have been launched for Village readers, and all have fallen by the wayside.

Pollyanna or not, The Village takes a strong position on a number of objectives dear to the hearts of its publishers. It has done much to promote civic consciousness in Greenwich Village, and especially in the Washington Square area. Some of the causes it

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wilt to Your Own Design



You wrote these specifications

Answering Sales Management's recent query, 207 agency and manufacturer executives representing today's sales and advertising opinion stressed these as the most important requirements of a Test Market:

REPRESENTATIVE — as to average income — as to character and types of people

DIVERSIFIED — as to sources of income

SELF-CONTAINED - an independent market

NORMAL — close to average in per capita sales and in current business activity

COMPACT — as to consumers and good outlets

and ECONOMICAL — as to effectiveness of newspaper coverage and co-operation

PROVIDENCE

THE 1939 MODEL TEST MARKET

9t's NORMAL ...

representative of urban sales and activity!

RETAIL SALES per capita			1933 (census)	1935 (census)	1937 (S.M. est.)
Average of cities 250,000 - 500,000 population	0		\$333.73	\$434.79	\$542.90
Providence sales, per capita			339.23	448.22	558.97
Providence deviation from average			+1.6%	+3.1%	+3.0%

As the sales average moves, balanced by varying fortunes of different industrial areas, so moves the Providence figure, held parallel by the same stabilizing factor of diversified industry.

Providence is representative of general business conditions today, will be so throughout your campaign. It's a continuing characteristic — the one most essential for an informative test. Informative — and economical: more than 80,000 city-zone families, 4,400 retailers, 400 wholesalers, wrapped up for easy contact in one dominant advertising medium — the Evening Bulletin!

AT YOUR SERVICE

A competent, interested newspaper staff... time-saving route lists...and two well-edited monthly house organs for the trade.

The Evening Bulletin

Dominating New England's Lecond Largest Market

REPRESENTATIVES: Chas. H. Eddy Co., Inc., New York, Chicago, Boston, Atlanta . R. J. Bidwell Co., San Francisco, Los Angeles

HOUSTON, TEXAS

UNITED STATES NOTICE OF THE STATES NOTICE



REFLECTING the exceptional prosperity and growth of Houston, this city finished 1938 fifth in the United States in

volume of building, according to Dun & Bradstreet records. The same source discloses that Houston ranked first in the nation among major cities in per cent of increase in building in 1938 over 1937. Below are the 10 cities which led the country in construction last year:

1938 BUILDING PERMITS

NEW YORK\$3	365,301,696
LOS ANGELES	67,826,669
DETROIT	51,430,371
WASHINGTON	28,594,510
HOUSTON	25,044,053
SAN FRANCISCO	23,232,331
CHICAGO	21,256,499
BALTIMORE	17,568,046
PHILADELPHIA	17,496,200
CINCINNATI	14,865,515

And . . . in 1939, as in 1938, Houston's building goes forward at a phenomenal pace. In the first two weeks of this year Houston's building permits totaled \$1,264,565—almost three times that of the second-ranking Texas city.

THE HOUSTON CHRONICLE

LEADS THE SOUTH IN NATIONAL ADVERTISING FIRST IN HOUSTON—IN EVERYTHING

R. W. McCARTHY Manager National Advertising THE BRANHAM COMPANY

TO SELL HOUSTON—BUY CHRONICLE

has espoused are: More children's playgrounds; a cooking school (meetings were held in *The Villager* offices until they became too unwieldy); community "sings," with a record attendance of 12,000 in eight weeks; the Little Gardens Club. There were 4,400 window boxes in the section Summer before last, when a count was made.

Painter of "Memory Pictures"

Squeamish? Not Miss Lucretia Lady. She wanders up and down the West Coast in a little coupe pulling a de luxe trailer bulging with shrouds. All alone.

Maybe you don't know it, since it's a very specialized field all wreathed in a thick aura of mystery, but changes have been taking place thick and fast in the burial garment industry the past few years. Flo Ziegfeld, Thelma Todd and Lucretia Lady have practically created a revolution in it. Flo did it by being buried in a purple dressing gown with white silk ascot scarf. Thelma Todd did it by being buried in turquoise satin lounging pajamas. Miss Lady has done it by transferring her top-notch Hollywood fashion-designing talent from serving screen glamour girls on Sunset Boulevard to serving the same million-dollar babies via the mortuary.

Ten years ago Miss Lady had one of the finest dress shops in all Hollywood. Among her customers, most of whom were famous names, was the rich, drab little wife of a Los Angeles funeral director who fervently prayed for Miss Lady to doll his missus with the dash he liked in women's clothes.

Impressed by Miss Lady's special designs for his wife, the f. d. cornered the pretty, vivacious Miss Lady and suggested, "Why don't you work up a bunch of smart, comfortable looking dresses, and submit them to me for my business?"

She threw up her hands and stared at him in horror. "Do you by some chance mean shrouds?"

"That's exactly what I do mean," he insisted. "I haven't been able to buy shrouds that blend with caskets. I can't find flattering ones that complete a perfect memory picture. Now here are the requirements . . . "

Miss Lady's husband was ill. She mentioned the matter to him as she handed him some rough sketches she had prepared. He insisted that they were too good to sell to one establishment, that they merited a business of their own. They decided to hold things up until he was better, and in one tour of the Los Angeles mortuaries he came home with his hands bulging with orders. A little later, he died, leaving Miss Lady with the inspiration for a good business. Having been a salesman himself, he had taught her to sell and travel.

She brought in her sister, Pearl Lady Moore, who was a readyto-wear buyer for Bullock's, and the two of them did well indeed covering California with knock-out Hollywood burial garments in regular trunks and suit cases.

Then she acquired the little coupe and the de luxe trailer. Its first trip brought a 300% sales increase. Since then, June, Miss Lady finds it showing such results as 100% orders—orders from every funeral director she calls on, and larger orders than they have ever given previously.

The trailer houses three full length wardrobes of nifty negligees and dressing robes and lounging-type pajamas "fashioned to conform to prevailing modes" (copy is from Mortuary Management in which Miss Lady uses page advertisements, often with pretty mannequins wearing the "memory picture" creations).

At least 75 creations are hung, without muss or wrinkles, on hangers in the wardrobes where the f. d.'s make their selections. Currently popular choices are the duplicates of special models designed for Mrs. Lon Chaney and Mrs. Clara Baldwin Stocker, who was one of "Lucky" Baldwin's widows, and a multi-millionaire.

The Lucretia Lady line is made entirely by hand. Eight girls are now at work on it with still others doing piece-work. All of the line is "guaranteed"—that is, if certain models do not move fast for one f. d., Miss Lady exchanges them with still another customer who finds his neighborhood more receptive to their types. Models are priced \$5 to \$50 wholesale. The f. d.'s stick to a 50% mark-up. There are no mark-downs, no bargain days.

Salestonue, to gain.

According to Dun & Bradstreet's review released January 14, "Louisville Department Store sales were reported as 10 to 20 percent above 1938... Wholesalers of dry goods and notions continued to note an increase of 20 to 25 percent over last year's comparative... Electrical supply sales were bolstered by increasing building activity...

"Whereas almost all cities showed some improvement over the 1938 level last week, the majority reported slight decreases below last year during this week. Retail volume for the country as a whole was 3 to 5 percent lower than the corresponding 1938 period . . . "

TAP THE INCREASING SALES OPPORTUNITIES IN KENTUCKIANA THRU

The Coursville Times

THE BRANHAM COMPANY
National Representatives

Sales Management

VOL. XLIV. NO. 3

FEBRUARY 1, 1939

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Notes from the Managing Editor's Desk

Now and then it seems necessary to explain that the SALES MANAGE-MENT editors by no means agree with all the opinions expressed by individual writers in the pages of the magazine. We happen to like controversy, and to believe that a magazine edited in this fashion is far more interesting than one in which all articles and features are keyed to a standard set of opinions. We believe, too, that many of the knotty problems of marketing, especially those dealing with matters of policy, become better understood and the issues better clarified if there's some good healthy argument on both sides. Any reader of this magazine has a standing invitation to talk back either to individuals who sign articles, or to the editors of SALES MANAGEMENT We actually like it! It keeps us from getting stuffy.

What brought on the preceding paragraph was the aftermath-or rather the lack of an aftermath-to an article which appeared in the January 1 issue. It was by the recalcitrant Brass E. Tacks, and it was headed "Should Newspapers Standardize Their National Advertising Rates?" We don't go along with Mr. Tacks at all on that particular thesis, and we fully expected a deluge of letters from newspaper men which would dwell loudly and emphatically on the other side of the story. But only half a dozen saw fit to protest. Can it be that newspaper men do not fully appreciate those intangibles which, as The Oklahoma Publishing Company points out in a new presentation, represent real and substantial values even though they may appear on no rate card, on no ABC statement?

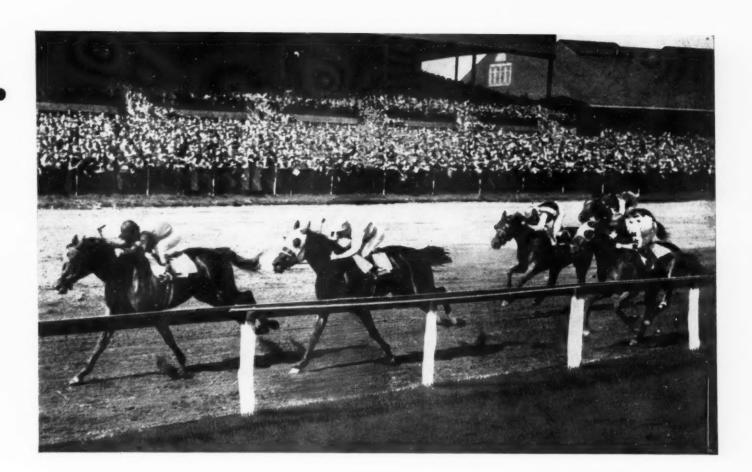
A. R. HAHN

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They pay off on Second, too!

M oving up from fourth to second in a five-paper field is something to be proud of, especially when you do it in a tough year. Media Records figures show that for 1938 The Washington Post was 2nd in Washington in Retail, General, Automotive, Financial, Legal, and Total advertising linage.

That second position is particularly important in five-paper Washington. Because Washington is America's Best Market — first on the "Sales Management" Purchasing Power index — first in per capita expenditures. And since no one newspaper can give you more than 60% coverage, it takes two papers to do the job in Washington.

That The Post is *must* as one of those two papers is clearer today than ever before. O CENT OF SOO

The Washington Post

Washington's Home Newspaper

The Post is outstanding editorially. It has received more national recognition in awards like the Pulitzer Prize, Ayer certificates, C.I.T. Safety Foundation awards in the past five years than all four other Washington papers put together.

The circulation swing is to The Post — with a gain of 10,518 compared to the next paper's 642, the other three papers' losses.

And as for advertising — as the chart shows, The Post's share of all advertising appearing in Washington newspapers has increased each year for the past five years — and The Post is the only Washington paper of which this is true.

They're paying off in Washington! Are you cashing in?

Fenger-Hall, Pacific Coast

Osborn, Scolaro, Meeker & Co.

FEBRUARY 1, 1939

U.S.GOVT. SPENDING* EXTRA 2/MILLION



Grand Coulee dam. When completed this huge dam will create one of the world's greatest lakes—See map right.



Temporary quarters for the great new clearance project.





Above—Hauling lumber for clearance project. Below—Two views of clearing camp at Lincoln, Wash., west of Spokane.



THE SPOKESMAN-REVIEW

SUNDAY

MORNING

SPOKANE,

d

Advertising Representatives — JOHN B. WOODWARD, Inc. — New York — Chicago — Detroit — Boston — Los Angeles — San Francisco

...in Spokane Grea

To Clear Way for 151-Mile Lake Behind

Coulee Dam

Financial Facts About Grand Coulee Dam

Expended 1933 to 1937 inclusive	\$70,000,000
Contract let January 28, 1938 for	
additional construction	34,442,240
Cost of preparing bed for new 151-mile lake	20,000,000
Eventual outlay at Grand Coulee	\$100,000,000

Being rushed to completion is Grand Coulee dam at Spokane's diar step—greatest man-made structure on earth.

When completed this great dam will form a lake 151 miles long, several miles wide at various points and from 35 to 377 feet deep. Freight and passenger steamships will ply its surface.

In addition to the expenditure on the dam itself, 20 million dollars is being spent by the government in buying property and in clearing out the lake bed. Forests will be cut down—bridges and buildings razed, entire communities wiped out—Example: Town of Peach will be 235 feet under water! 3000 people will be forced to build anew with government money.

With new cash flowing to the Spokane Market from this source in addition to revenue from the dam payroll, from agriculture, mining, lumber and steadily growing tourist traffic, this area—already one of the nation's favored markets—is on the eve of a still greater period of spending and expansion.







Spokane Daily Chronicle

WASHINGTON

31

COLOR REPRESENTATIVES—Sunday Spokesman-Review Magazine and Comic Sections—Pacific Coast Comic and Magazine Group

Sales Management's **Future Sales Ratings**

KEY TO RELATIVE SALES OUTLOOK RATING

**** Best relative outlook

*** Very good relative outlook

** Good (medium) relative outlook

** Fair relative outlook

★ Least impressive relative outlook

NOTE: This compilation is based on the relative position of one industry compared with all industries. In other words, an industry marked ★★ may have very good prospects in relation to its preceding year's volume, but its percentage increase may be slight compared with another industry which is marked ★★★★★.

	Sales Prospect for Feb., Mar. & Apr.	Sales Prospect for Next 12 Months		Sales Prospect for Feb., Mar. & Apr.	Sales Prospect for Next 12 Months
Advertising	****	****	Luggage	****	****
Air Conditioning	****	****	Machine Tools	****	
Airline Travel	****	****	Machinery (Agr'l)	*	***
Airplane Sales	****	****	Machinery (Ind'l)	****	
Automobile Sales	****	****	Meats	**	**
Automobile Tires	****	****	Metal Containers	**	**
Baking (General)	*	*	Motion Picture	***	***
Banks (Revenues)	*	**	Musical Instruments	****	****
Beer	*	*	Office Equipment	****	****
Building Materials	****	****			
Candy & Chewing Gum.	***	**	Oil (Cooking)	*	****
Canned Fruits and			Paint Paper (Newsprint)		***
Vegetables	*	*	Paper (Wrapping and	**	***
Cereals	*	*	Container)	***	****
Chemicals (Misc.)	****	****	Photographic Supplies	****	****
Cigarettes	**	**	Plastics	****	****
Cigars	*	*	Printing and Publishing	***	***
men's & Children's)		4.4	Equipment	***	****
Coal (Anthracite)	**	**	Radios	****	***
Coal (Bituminous)	****	****	Railroad Equipment	****	****
Cosmetics	***	***	Railroad (Net Income).	****	****
Cotton Textiles	**	*	Rayon Textiles	**	**
Dairy Products	**	*	Refrigerators	****	****
Department Stores	**	**	Restaurants	***	****
Diesel Engines	****	****	Rural Stores	*	***
Drugs and Medicines	***	**	Security Financing	****	****
Electrical Equipment		~ ~	Shipbuilding	****	****
(Heavy)	+++++	****	Shoes	***	***
Electrical Equipment		****	Silk Textiles	*	*
(Light)	****	***	Soap	**	**
Exports	*	***	Soft Drinks	***	***
Flour		*	Sporting Goods	****	***
Furs	1	****	Stationery (Commer'l)	***	***
Gasoline and Oil		**	Steel and Iron	****	****
Glass and Materials		***	Sugar	*	*
Groceries		*	Surgical Equipment and		
Hardware	****	****	Supplies	***	**
Hotels	***	****	Television	****	****
HouseFurnishings(Floor			Toothpaste and Mouth		
Coverings, Furniture,			Washes	**	**
Beds, etc.)		****	Toys and Games	***	***
Household Products			Trailers (Autos)	*	*
(Kitchenware and			Travel (Sea)		****
Miscellaneous)	***	***	Trucks	****	****
Imports	***	***	Utilities—Electric	**	**
Insurance (Life)		*	Utilities—Gas	*	*
Jewelry	****	****	Utilities—Telegraph	**	**
Laundry		**	Utilities—Telephone	***	***
Liquor (Alcoholic			Washing Machines	***	***
Beverages)	**				

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Forecast for Spring Is Active Markets, Rising Sales Curves

The early 1939 slowing down of industrial activity is partly a belated seasonal recession and partly the result of the slight excesses of the exceptionally vigorous business expansion in the latter part of 1938. This small "correction" will be followed in the very near future by a considerable increase in production throughout industry, in anticipation of a Spring selling season surpassed but few times in merchandising bistory. The natural forces making for recovery, centering around low inventories, record ease of money rates and the growth of conservatism in American Government, are likely to be augmented by Government spending and the expected Spring attainment of peak activity in the W.P.A. program initiated last year.

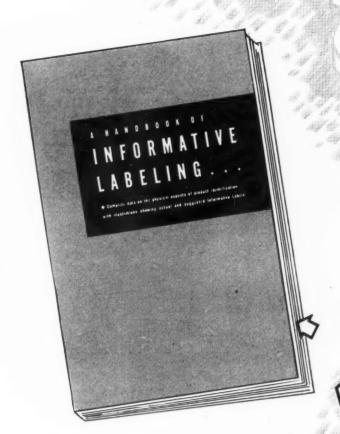
Building Prospects Bright

An impressive record thus is likely for first half sales, and the comparison with the corresponding period of 1938 will be outstanding because of the low level of business in the latter period. One of the major stimulants to business activity will come from the building industry, which has considerable leeway for revival, since it did not recover fully even in the super-prosperity of 1929. Already building contract awards are the highest since 1929, and since there is a natural lag between awards and expenditures, the full impact of these huge contracts will not be immediately felt.

Furthermore, prospects this year for rehabilitation of the railroads through broad Federal legislation point to additional revival of extremely important purchasing power. Moreover, the long-harassed public utilities finally face indications of dissipation of the Government competition threat, thus finding basis for one of the most extensive of their building programs in years. The Federal Government, in fact, wishes to see expansion of private utility production facilities, if only because of the larger electric energy which would be necessary for a potential emergency enlargement of the armament program. The armament program in itself should be noticeably stimulating to the heavy industries. This will be transmitted to other lines. Thus, the long-awaited basic industrial recovery (1933-37 was principally a consumers' goods recovery) is finally

getting under way.

INFORMATIVE LABELS KEY TO 1939 CONSUMER-ACCEPTANCE!



YOUR LABELS HAVE DEFINITE RESPONSIBILITIES . . . THEY MUST SELL . . . INFORM . . . EDUCATE

The idea that the label is mere trademark identification has passed. Today's idea is that the Informative Label presents the facts upon which the purchase depends. It sells . . . informs . . . educates!

Just how Informative Labels accomplish these jobs, comply with Federal Trade Commission rulings, and meet the demands of consumer movements for definite product information . . . is ably told in this new booklet. You should have a copy now!

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The "Handbook of Informative Labeling" gives complete data on the physical aspects of product identification, with illustrations showing actual and suggested Informative

Specifically, the booklet covers these subjects:

- the consumer move-
- Purpose of an Informative Label
- Standards, grades, and Informative Labels
- Data desired by con-sumers charted for 24 commodity groups Consider the legal aspects of informative

labeling

- Why informative labeling?

 Organizations backing the general process to the manufacturer
 - ☐ 27 pages illustrating actual samples of out-standing Informative Labels
 - 7 pages illustrating copy and design sug-gestions for Informa-tive Labels
 - Suggestions for mer-chandising Informative Labels

A free copy of the "Handbook of Informative Labeling" may be obtained from your label manufacturer. If he cannot furnish it, write to us.



BROOKFIELD, MASSACHUSETTS McLAURIN-JONES COMPANY . . . Offices: New York

Chicago

Mills at Brookfield and Ware Los Angeles

Makers of McLaurin-Jones Guaranteed Flat Gummed Papers — Ware Foils — Ware Coated Papers

1938 Effective Buying Income

			1			
	Monthly Income	Monthly Income	Year-to-date Ratio	Year-to-date Ratio	Effective Buy-	Families
STATES	Ratio	Ratio	January-Nov.	January-Oct.	per Family	(in thousands
	Nev. 1938	Oct., 1938	as % of same	as % of same	Latest Annual	
	as % of	as % of	1937 period	1937 period	Basis	
	Nov. 1937	Oct. 1937				
Connecticut	91.2	85.0	78.2	77.0	\$2,471	388.7
Vfaine	99.7	95.2	82.4	81.0	1,891	197.8
Massachusetts	95.7	92.2	84.0	82,9	2,595	1,021.2
New Hampshire	92.0	91.5	82.4	81.6	1,960	119.3
Rhode Island	99.7	93.9	86.4	85.1	2,559	165.3
/ermant	93.2	88.3	85.7	85.1	2,115	89.2
New England	94.9	90.5	82.6	81.5	2,431	1,981.5
New Jersey	93.1	90.8	88.2	87.8	2,524	985.7
New York	92.6	97.5	86.6	86.0	2,945	3,153.1
Pennsylvania	87.8	80.1	78.3	77.4	2,116	2,235.6
Middle Atlantic	91.2	91.0	84.2	84.0	2,587	6,374.4
Illinois	88.6	83.3	84.0	00.5		
Indiana	89.6	80.2	76.0	83.5 74.8	2,121	1,929.4
Michigan	85.4	74.6	68.3	1	1,575	843.1
Ohle	89.9	81.0	76.1	66.6 74.8	1,976	1,180.6
Wisconsin	86.4	81.7			1,969	1,697.9
	99.4	01.1	84.3	84.1	2,119	711.8
East North Central	88.1	80.5	78.1	77.2	1,987	6,362.8
iowa	104.3	92.8	94.4	93.4	1,984	635.7
Kansas	91.1	85.8	86.5	86.0	1,573	487.2
Minnesota	92.2	87.6	91.5	91.4	2,325	487.2 606.5
Missourl	96.6	90.8	89.3	88.6	1	
Nebraska	95.3	87.3	89.2	88.6	1,882	939.5
North Dakota	96.6	92.0	93.2	92.8	1,581	343.0
South Dakota	103.9	92.3	101.3	101.0	1,625 1,594	145.0 161.0
West North Central	96.8	89.5	91.0	88.9	1,877	3,317.9
Delaware	87.9	84.8	84.6	04.0	0.000	
District of Columbia	100.5	100.3	99.9	84.3 99.9	2,299	59.1
Florida	92.3	85.6	89.4		3,782	125.6
Georgia	95.3	95.4	86.8	89.1	1,816	376.4
Maryland	91.3	87.1	86.2	85.9	1,310	652.8
North Carolina	92.9	88.9		85.7	2,267	385.2
South Carolina			89.6	89.2	1,384	644.0
Virginia	94.9	104.9	88.5	87.9	1,148	365.7
	100.2	93.4	89.7	88.6	1,572	529.1
West Virginia	89.4	83.5	78.7	77.7	1,407	373.9
South Atlantic	94.3	91.4	88.2	87.6	1,624	3,511.8
Alabama	92.8	87.5	88.3	85.6	966	591.6
Kentucky	91.5	88.5	85.7	85.1	1.226	809.4
Mississippl	98.0	103.8	90.6	89.8	696	471.7
Tennessee	94.1	93.8	87.7	87.1	1,403	600.6
East South Central	93.8	02.9	67.0	-		
		92.8	87.2	86.6	1,096	2,273.3
Arkansas	93.2	109.7	94.4	94.5	1,093	438.6
Louisiana	94.9	98.1	94.3	94.2	1,370	485.4
Oklahoma	96.0	89.0	90.9	90.4	1,596	564.2
Texas	95.4	92.0	95.4	95.4	2,071	1,380.1
West South Central	95.2	94.7	94.3	94.2	1,709	2,868.3
Arizona		80.6	82.8	81.9	1,940	108.0
Colorado		86.3	85.8	84.3	1,843	267.3
Idaho,	92.4	78.7	81.5	80.3	1,997	108.1
Montana	106.7	83.7	81.8	79.6	2,048	136.2
Nevada	106.2	90.9	92.7	91.4	2,695	25.5
New Mexico	87.6	89.6	87.6	87.6	1,587	
Utah		78.8	85.1	85.3		98.5
Wyaming		82.4	88.8	88.5	2,013 2,477	115.9 56.9
Mountain	95.2	83.6	84.8	83.8	1,961	914.4
California	92.2	87.7	01.0			
Oregon		84.4	91.6	91.5	2,650	1,610.1
Washington	96.0	88.7	87.0 86.1	86.2 85.2	2,100 2,262	266.3
Pacific	93.1	87.6	90.3	90.0	2,518	2,300.2
		-	4		-,	: myorous
U. S. A.	92.4	88.3	85.2	84.5	2.038	29,904.6

Income Again Rises; Nation Now Within 15% of 1937 Figure

Effective buying income figures for November are characterized by sharp rises over the October figures. The national November - over - November percentage increased 4.1 points from the October-over-October figure. The cumulative ratio rose .7 points from October, to 85.2, and the annual per family income rose \$17 to \$2,038.

The bottom was reached in July and the rate of recovery increased rapidly during the latter part of 1938.

No section showed a loss in November from October, and of the five sections which showed the greatest gains, three-New England, East North Central and Pacific-are more than 75% industrial. The other two-West North Central and Mountain-are divided about evenly between industry and agriculture. The two wealthiest sections - Middle Atlantic and East North Central-were the only ones below the national percentage. Together with New England, these two suffered the most in the first half of 1938. Middle Atlantic recovered quickly and levelled off in November, while New England, which also came back sharply, continued to climb sharply. East North Central has had to gain more ground and has done so at a steady pace and is now only 4.1 points below the national percentage.

In October there were four states whose percentage of October, 1937, was over 100; 16 between 90 and 100 and three under 80. In November, three of the four states dropped below that figure, but six others climbed above. In the same month 32 states stood between 90 and 100 and none under 80. The seven states which rated above November, 1937, were:

Montana															0		106.7
Nevada .				٠								۰					106.2
Iowa											0	0	۰				104.3
South Da	k	0	tal										0				103.9
Colorado																	
District o	f	(C	ol	u	n	n	Ы	ia								100.5
Virginia																	100.2

For the 11 months, South Dakota continues to be the only state to show up better in 1938 than in 1937—101.3, thirteen states are in the 90's for the year to date as against only 11 states for 10 months. These cumulative figures move slowly and only a violent change in any one month will cause any appreciable fluctuation in the cumulative figure, but with the present trend these figures, while still fairly low in some states, are moving steadily upward.

The Most-and least expensive advertising pa in all the xo

COLOR page in The American A Weekly costs \$18,000.

That is the biggest price paid for a single page of advertising in any publication on earth.

But on a strictly space-buying basis looked at in terms of families and readers you get for your money-it represents the lowest price per color page per thousand* of any national magazine an American advertiser can

And it's "chicken feed" when you stack it against what you get back for what you put in.

Something's bound to happen when your selling message suddenly appears in one out of every four homes in America where English is read — the largest magazine circulation in the world . . . Something's bound to

happen when you send your selling message to one out of three families in the richest buying areas—the towns and cities of 2,500 and over where \$4 out of every \$5 are spent.

Something's bound to happen when you flash your words and pictures to an audience bigger than the average of the ten top programs on the air.

Something's bound to happen when you run your advertising in a magazine with a punch powerful enough to get action in a market which has seen total magazine circulation jump from 20 million to 79 million copies per issue since advertisers first began to study their ABC reports. And because things happen when The American Weekly goes on a schedule, canny advertisers are beginning to say, "It looks as though a new leader in the national magazine field is stepping out in front in today's high-powered race for sales."



ADVERT SERS NATIONAL BANK NOTE THE AMERICAN WEEKLY \$ 18,000.00

EXACTLY EITB.OOD & OOCIS ...

Cock-A-Doodle-Doo!

The American Weekly starts 1939 with an advertising linage increase in January over January, 1938. Volume of advertising orders secured in December, 1938, for publication during 1939 was over 60% ahead of that secured in December, 1937, for publication in 1938.

in the World

"The National Magazine with Local Influence"

MAIN OFFICE: 959 EIGHTH AVENUE, NEW YORK CITY

BRANCH OFFICES

PALMOLIVE BLDG., CHICAGO 5 WINTHROP SQUARE, BOSTON HANNA BLDG., CLEVELAND EDISON BLDG., LOS ANGELES HEARST BLDG., SAN FRANCISCO ARCADE BLDG., St. LOUIS GENERAL MOTORS BLDG., DETROIT . . . 101 MARIETTA ST., ATLANTA

*ABC figures, 1938, show a color page in The American Weekly costs \$2.77 per thousand.

53 YEARS of SERVICE (FEBRUARY 1886 - FEBRUARY 1939) to Southern Farm Families



Stimulation!

Inspiration!

Action!

FARM homes feel the impact of editorial suggestion—something happens in the home — a whole country-side is changed. The Rural South is stimulated by writers who inform, interpret, inspire, give pleasure and portray beauty in the pages and on the covers of Progressive Farmer.

Here is our conception of an editorial formula for farm people:

Information — practical, profitable, timely and with strong local adaptation.

Interpretation — not merely giving farm news, which many daily papers are doing, but providing an interpretation and an agricultural leadership (and it is hoped even "agricultural statesmanship" is not too strong a term to use) about policies and problems affecting agriculture.

Inspiration — arousing boys and girls, men and women, to their possibilities not merely as money makers but as home makers and community builders; workers not only for the enrichment of farm lands but also for the enrichment of country life. Pleasure — derived from good fiction, humorous features, and pleasure from our presenting all information in the most interesting and attractive way possible.

Beauty — (both on covers and inside) which is just as indispensable in a modern magazine as it is in a modern store, movie house, or home.

Our editors aim to maintain the "farm flavor."

Serve all members of the farm family, and

Use enough spice to give a sparkle of life and make our readers enjoy the columns from which they derive this personal help.

Progressive Farmer Power Comes From Sincere Service To Its Readers!

PROGRESSIVE FARMER
BIRMINGHAM RALEIGH MEMPHIS DALLAS

Significant Trends

As seen by the Editors of Sales Management for the fortnight ending February 1, 1939:

Time to Expand

As predicted here since late in November, we are now witnessing a relatively calm period in business after one of the most violent upswings in our history. The calm period is "scheduled" to be followed by an upturn which economic experts

characterize anywhere from "good" to "boom."

• • This should be a year to expand if you're ever going to expand. A higher percentage of your 1939 business should come from new customers than was true in 1938. The business weather report strongly calls for:

1. Higher production

Entry into new markets and more intensive cultivation of old ones

Expanded budgets for the sales force, sales promotion, and advertising.

Your salesmen should have a good first quarter. Stores want merchandise. New attendance records are being set for buying shows all over the country. The National Home Furnishings Exposition in Chicago set a new record for attendance 10 days ago, a new high was registered at the furniture show in Grand Rapids, and on January 19 the New York *Times* reported a new record for a single day in out-of-town buyers listed in their columns. The day's total of more than 1,100 was the largest since the newspaper began the compilation of buyers' arrivals in 1928.

• • The volume of business today is within a fraction of a point of where it stood in October, 1937, but as Babson points out in a current report, there is plenty of evidence of significant changes in the kinds and character of the different businesses making up the index. During a recovery period not all industries share alike.

Outstanding in today's recovery is the forward sweep of building. The construction industry today shows an advance of 93% from the days when business previously stood at normal in the Fall of 1937. Further notable gains are being recorded in automobile production and sales, electric power output, cotton consumption and receipts from corn and hogs. Businesses allied with those which are sweeping ahead will almost automatically share in their prosperity, as, for example, furniture, furnishings and all types of home equipment which are closely tied to the construction index.

• A tip-off on the velocity of the upturn is to be found in the sales of ordinary life insurance. The Life Insurance Sales Research Bureau reports that the 1938 year's sales were down 13% from the preceding year, but that the upturn from December of a year ago was 41% and that the month brought the largest volume of insurance business since December, 1931. The building industry, to find a December as good as 1938, has to go back to 1928.

• • The cash income of farmers for 1938, according to a January 20 compilation of the Department of Agriculture, was 7.6 billions of dollars as against 8.5

for 1937, or a drop of 11%. This figure includes receipts from sales of farm products and government payments. On a per farm basis the 1938 cash income was \$1,094 as against \$1,237 in the previous year. Neither figure includes any allowance for food consumption on the farm or for fuel, ice, free rent, et cetera.

• • But the farm population fared better than the above figures indicate. Because the costs of things the farmer buys dropped considerably last year the actual farm buying power was only 6.9% less, according to an analysis made by the Northwestern National Life Insurance Company. All in all, the farmer was a bit better off than his city brothers.

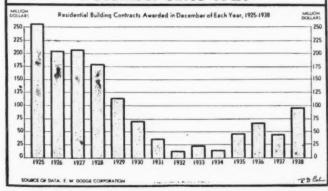
Liberalized Business

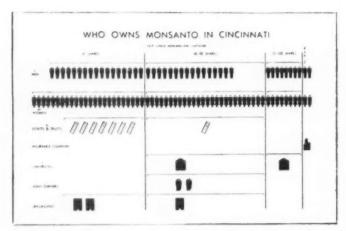
Historians of the business world in 1950 may well point to the period 1935-40 as the era of business liberalization. Partly through force directed from the left, partly through a newly-acquired sense of en-

lightened selfishness, business men are now saying and doing things which 10 years ago would have made them nominees for a psychopathic ward. Witness, for example, some of the speeches made the other day before the drug section of the New York Board of Trade.

"Even though some of the regulations that will go into effect as the result of the Pure Foods and Drugs Act and the Wheeler-Lea Act have been severely criticized as tending toward regimentation of our industry, I am firmly convinced," said R. D. Keim, vice-president of E. R. Squibb & Sons, "that those who view this legislation in a broad social sense will welcome it. It will raise the standards of production, thus giving the consuming public further protection against sub-standard products as well as from exploitation by manufacturers who are tempted to engage in unethical practices." W. V. Preyer, president of the Vick Chemical Company, followed Mr. Keim and added further approval of both acts. He was particularly joyful, he told the forum, that the new laws would regulate proprietary medicine advertising.

Volume Was Largest for December Since 1929





Monsanto Chemical Company has pioneered in a study designed to answer such questions as, Who owns America's industries? What type of people invest the capital that provides industrial employment for millions? Where do they live? What do they do for a living? Tracing down the ownership of their 1,291,816 American shares, they find that 3,890 of the owners are men, 3,714 are women and that of the remaining 2,566 shareholders, 316 are joint owners, such as husbands and wives, business partners; 1,601 are estates or trusts, 34 investment trusts, 42 universities or colleges, 72 insurance companies, 121 charitable institutions, 192 brokers and 188 unclassified.

A detailed house-to-house analysis was made of all Cincinnati shareholders and the January issue of Monsanto Magazine takes readers on a trip to the homes of Cincinnati shareholders. The survey was made so that Monsanto employes "might know the truth about their company and not be influenced into erroneous thinking by fallacious propaganda, such as the frequent allegations by pressure groups that 60 families control the assets of the country,"

- And a prize of realism should go to S. F. Hartman, counsel to the Retail Tobacco Dealers of America, who told tobacco distributors at the Palmer House in Chicago last week that "the failure of industry to recognize, understand and adapt itself progressively to new trends in the continuously shifting economic and social scene is responsible for the entrance of government into business in competition with private enterprise." He urged business to take the lead in anticipating new economic and social requirements by endeavoring, itself, to initiate all necessary remedial requirements. This, according to Mr. Hartman, "is industry's duty to government and the only way to prevent government competition and bureaucratic control of industry. The cause must first be removed and that's up to industry itself."
- Sidney R. Baer, vice-president and treasurer of Stix, Baer & Fuller, St. Louis, writing in the St. Louis Post-Dispatch on the subject of an advertiser's view of freedom of the press, struck on the same note. "Business men are fully cognizant of the fact that if business proves incapable of self-discipline in the interests of the people the Federal Government will absorb additional authority, for under such conditions the people will demand it and, after all, their will is supreme in a true democracy."
- Raymond Clapper, in his Scripps-Howard column, points out that private initiative, when it is going good, still is civilization's best spark plug. "It is when the private utility industry becomes fat and lazy, and neglects or refuses to develop rural lines, that the government steps in with rural electrification. Railroads hung on to cumbersome routine methods, with slow freight, cranky employes and poor local train service and the result was that trucks, private automobiles and pipelines cut into the business. So that now the railroads have been driven to faster and more attractive trains, door delivery and courteous employes.

They could have pioneered in these to their own advantage instead of being forced into the belated improvements."

- The Clapper column was written after a trip to Wilmington, where he went through the newly-started eight-million-dollar nylon plant of the du Ponts. "Here in the chemical capital of the world you get some feeling of what private initiative could do to improve conditions of life if it always had the skill to get the profits out of intelligent and aggressive industrial pioneering as the du Ponts do."
- Jay C. Hormel, the progressive packing house president, who for several years has guaranteed his employes an annual wage, announced during the fortnight an experimental plan to pay workers and stockholders from a joint earnings fund. This applies to all employes, including officers, but, according to a special letter to SM, excepts salesmen on the ground that "our salesmen had previously been taken care of, each one with special arrangements, which provides that they are sufficiently compensated."

Saturation? Hell, No!

Estimates released by the National Electrical Manufacturers' Assn. of the potential 1940 market for electrical appliances indicate a market for 103 million appliances with a market

value of more than four billion dollars. The data come from the studies made by the National Resources Board on incomes and ownership and the study on saturation of appliances made by the magazine *Electrical Merchandising*. You might think, for example, that vacuum cleaners, long on the market and aggressively merchandised, had about reached the end of their growth, and yet this study indicates a possible market this year for more than ten million. In millions, the market for other important appliances are, refrigerators more than 8, waffle irons 15, percolators 13, clocks, 11, hot plates and grills 16, washers 7, ranges 2.

- • Philco auto radios have been just introduced as standard equipment in the new line of Comfortractors, made by Minneapolis-Moline. If you want to know how the modern farmer lives in the field get the February issue of Farm Journal and read their well illustrated spread on tractors in 1940.
- The Federal Trade Commission has entered a cease and desist order against the American Optical Company and Bausch & Lomb on the ground that the companies' discounts to "big dealers" and "little dealers" do not make "due allowance for or bear any consistent relation to differences, if any, in the cost of sale or delivery of stock merchandise resulting from the different quantities in which sale is made to different customers."
- • Under the stimulus of tax and control legislation from states here, there and everywhere, the chains have perfected a defense which seems to work. Hardly a month goes by but that the chains help out some producer group. Right now, for example, they are helping to move the country's largest citrus crop. It would hardly be news to report that the grocery chains are doing this, but their work is a minor part of the story. From coast to coast 46 major non-grocery chain store companies operating over 11,000 variety, specialty, apparel, general merchandise, auto accessory, shoe, drug and cigar stores are stimulating citrus fruit consumption by window and inner store displays, by messages on the radio and in newspaper advertising.









In the customary l. to r. order are: Adolph Frankel, newly appointed s.m. of special products of the lamp division, Westinghouse Electric & Mfg. Co. His headquarters will be at the Bloomfield plant, where he started work in 1917 at the packing counter.
. . Boone Gross, former asst. gen. s.m., is promoted to gen. s.m. of Gooderham & Worts, Ltd., Detroit. He joined Hiram Walker, parent company, in 1935. . . Arthur W. Wilson, formerly with Fitzgibbons Boiler Co., Donahue & Coe, and Wilson & Bristol, is named marketing director of Electric Furnace-Man, Inc., N.Y., manufacturers of automatic burners. . . . Edgar G. Hill, former vice-president of Ford, Bacon & Davis, N.Y., has been elected president of National Refining Co., Cleveland. He succeeds W. H. Lamprecht, now chairman of the board.

NEWS REEL









W. Wallace Early has been appointed manager of recording and record sales by RCA Manufacturing Co., Camden. He started with the old Victor Co. in 1923. . . . Charles W. Pearson rises from v.-p. and s.m. to executive v.-p. and gen. mgr. of Buffalo Foundry & Machine Co., Buffalo, N.Y. He has been with the firm 33 years. . . . Victor E. Williams, mgr. of the N.Y. sales office of Monsanto Chemical Co., St. Louis, is promoted to asst. gen. mgr. of sales. He began as an office boy with the company in 1915. In his new position Mr. Williams will divide his time between N.Y. and St. Louis . . . F. A. Abbiati moves up from the Merrimac division of Monsanto Chemical to s.m. of Monsanto Vue-Pack, transparent packaging material, for the company's plastics division at Springfield, Mass.

Mr. Frankel's photo by Blank & Stoller; Mr. Wilson's by Bachrach; Mr. Pearson's. Continental by R. M. G. Co.



Trustee Wardall

Photos by Blank & Stoller

25,000 stockholders, 7,500 employes, trust them to rationalize an unholy mess, . . .



President Michaels



Vice-president Murray

McKesson & Robbins Organization Unites to Save Jobs and Assets

COUPLE of days after Philip Musica abruptly ended a sensational career, a drug products manufacturer walked into the office of William I. Wardall.

office of William J. Wardall.

Mr. Wardall, on December 8, had been appointed by the Federal Court at New York as trustee for McKesson & Robbins, Inc. For goods delivered up to and including December 7, McKesson owed the manufacturer more than \$500,000. His was one of 4,500 manufacturing concerns which distributed their products through the McKesson wholesaling system.

No bills for merchandise delivered prior to December 8 could be paid until accountants, engineers, chemists and others had completed an exhaustive check-up—until assets had been carefully weighed against liabilities—until public hearings had been held—until the court had heard, studied, weighed, decided.

Even with the most prompt and thorough action, and complete cooperation from all concerned, this would take months.

Meanwhile, somehow, the business must go on. . . .

Mr. Wardall—a tall, gray-haired, conscientious individual—was new to his job. It was a very difficult job.

He surveyed his visitor with some concern. His mind framed the question, "Money?"

The visitor smiled and shook his head. "We need McKesson," he said.

With three capable executives at the helm, the giant McKesson organization, beset by adverse publicity and harried with legal red tape, has already obtained a firm grip on a bad situation and, from top to bottom, the firm's employes, distributors and dealers are expressing and demonstrating unbounded confidence.

"I came in to tell you we want to help you carry on—to keep things moving. We're more interested in the outlets than the money."

In the drug trade, and largely in the liquor trade as well, McKesson has become "everybody's business."

McKesson does, it is estimated, 25 to 30% of the nation's wholesale drug volume in independent stores exclusive of chains. It serves some 30,000 outlets. Although McKesson makes drug and liquor products of its own, it deals predominantly in those of other manufacturers. From a dollar-volume standpoint 65% of its business is in drug wholesaling, 5% in drug manufacturing, 30% in liquor.

Mr. Wardall and his associates realized that McKesson must carry on, not only for the sake of its own 25,000 stockholders and 7,500 employes, but to prevent disruption of business, loss, even in some cases possible bankruptcy, among the long list of concerns it served.

As "trustee for the estate of McKesson & Robbins, Inc., debtor," Mr. Wardall is a Federal officer. His job is to conserve and continue the business, under supervision of the court, in fairness to all concerned.

Among the scores of McKesson vicepresidents and other executives, long experienced in their work, Mr. Wardall is assisted directly by Charles F. Michaels and William J. Murray, Jr. These men are now president and first vice-president of McKesson & Robbins, Inc.

The original McKesson & Robbins was founded as a drug manufacturing company in 1833. The present average age of the 65 independent drug wholesale houses which went into the McKesson & Robbins structure a dozen years ago is 63. The wholesale executives especially have had long experience in drug merchandising, and long and close friendship with manufacturers and retailers.

Mr. Michaels, for example, entered this business with his father's company, now the Langley-Michaels division, at San Francisco, in 1886. Mr. Murray has been engaged in it for about 30 years. His father's firm, now the Murray division, was founded in Columbia, South Carolina, in 1888, the year he was born.

With such personal and financial interest in the business, the executives have worked hard to continue and develop it. They must carry on after Mr. Wardall, as trustee, has completed his job . . . long after the Musicas and their blatant headlines are forgotten.

They are carrying on now, night and day, to help straighten out the affairs of the company, to prove that it is sound, and to instill confidence and cooperation in all associated with them.

Employes, manufacturers, retailers and others have responded—spontaneously, and effectively.

Today, of the 4,500 manufacturers, all continue to supply McKesson. Of the 30,000 retailers, virtually all continue to buy from McKesson's wholesale units. Since December 8, none of McKesson's hundreds of executives has resigned. Among thousands of salesmen, only one has left,

And despite the avalanche of negative publicity, net sales volume in December, 1938, was only 3.99% less than that for December, 1937. In the 11 months ended November 30, 1938, net sales had been 5.67% less than those of the parallel period of 1937.

On appointment, December 8, Mr. Wardall and Mr. Michaels as joint trustees (Mr. Michaels later relinquished this post) promptly informed "all persons interested in McKesson & Robbins" of the filing of a petition to reorganize under the Chandler Act.

Michaels Takes the Wheel

This petition stated that the company was "solvent and able to continue business, but that it could not, under the existing conditions, meet its obligations as they would mature and, accordingly, asked for the protection of the court."

Salaries, of course, continued to be

Suppliers were told that the two trustees were "responsible for all merchandise delivered December 8, 1938, or thereafter." This included merchandise which may have been ordered previously but not delivered until that date or afterward.

On December 19 Mr. Michaels resigned as additional trustee and subsequently was elected president. The largest holder of preferred stock in the company, he had long directed its wholesale drug and liquor business. His appointment as trustee, he explained, had been made to give the new management the benefit of this

experience. It was then thought that he could be of greater service as chief executive officer. Also, this action would "remove any question of conflict that may arise."

Mr. Michaels emphasized to the organization that "the only business at Bridgeport had been the drug manufacturing business (which distributed more than half its products through our wholesale houses, and whose total other business amounted to less than 3% of company sales). . . .

"I and the executives under me here (at New York) had nothing to do with those operations. . . . I do not believe that Mr. Coster's frauds (in the crude drug department) will be

BY

LAWRENCE M.

HUGHES

found seriously to involve the assets of the drug manufacturing department and in any event certainly will not involve to any great extent the drug manufacturing business or the distribution of its products through wholesale drug houses and to others in the trade. The business of the manufacture of drugs is still there and it can and should be continued.

"But in any case, what has happened . . . at Bridgeport has nothing to do with . . . the wholesale drug and liquor business and the distilling of liquor. This principal business of the company has always been directed by myself and my associates. The integrity and honesty of this business has not been, and it cannot be, impugned.

"Mr. Wardall has inducted himself into the business of the company," Mr. Michaels said, "in a way to establish the confidence of everyone. . . . I will, of course, render him every possible assistance and shall devote my entire time and energies to the reorganization and rehabilitation of the company. . . ."

This, already, was going forward rapidly. . . . Banks were notified by wire to transfer all balances to Mr. Wardall's name as sole trustee, but were "authorized and requested to honor all checks drawn against accounts of trustees." . . . Lawyers in every state were making the new Mc-Kesson status legal there. . . . Some 175 auditors of S. D. Leidesdorf &

Co., working out of New York, Chicago and San Francisco, were checking up at headquarters and at every branch.
. . . Sixty-five engineers and chemists of Ford, Bacon & Davis had started physical inventory work. . . .

To facilitate inter-organization matters Mr. Wardall told division executives to address individuals at headquarters as heretofore. "You can be assured," he said, "that any matters demanding the attention of the trustee will be taken up with him."

A Report to Employes

By December 29—exactly three weeks after the reorganization started —Mr. Michaels and Mr. Murray were able to write this New Year letter to "all employes and executives of every McKesson house:"

"We know you realize that the past few weeks have taken up all our time and energy. . . .

"This has caused us to delay writing to each and every one of you a letter of appreciation for the loyalty and confidence that you have shown in us." The letter expressed "heartfelt thanks... for the perfectly wonderful attitude you have shown and for the extra work and time that you have so cheerfully put forth....

"Things are becoming a little more normal. The bad publicity which the company received at first . . . is receding now and we can attack our problems with less interference from the public and the press. . . .

"We trust that very shortly the auditors will be able to issue a preliminary statement which will verify us in the belief that outside of the one department, the company is not affected, and that our assets are many millions of dollars in excess of our liabilities. . . .

"Every house reporting is showing an increase in sales over the same period last year, in spite of everything that has happened. This leads us to the hope that each one of you is trying to see as many of your loyal customers as possible and express to them your appreciation and the appreciation of the headquarters office for their loyalty during this troubled period. . . ."

On January 22 Mr. Wardall issued a tentative consolidated statement which showed assets of \$66,115,001, as against liabilities—exclusive of capital stock—of \$38,345,257.50.

On January 3 Mr. Michaels wrote "chief executives of all houses," emphasizing that "this year, more than ever before, it is important that Mc-Kesson, in the trade, develop all of the good-will that we possibly can. . . . You should immediately make plans to see that we are represented" at the "various local and state retail conventions . . and that wherever possible we obtain a place on the program."

In drug trade papers, early in January, the company ran a page ad headed: "McKesson Announces Busi-

ness as Usual." It pointed out that this organization of 7,500 people is "continuing to do its job," and expressed thanks to "many thousands of retailers and to suppliers" for "loyal support" in this "passing emergency."

To the public also McKesson started to tell the constructive story. A public relations firm, William H. Baldwin-Brewster S. Beach, was retained to provide publications with data on the company and its present management. Product advertising was continued, institutional advertising started.

December is an important sales month—particularly in the retail liquor business. First on a week-to-week basis, lately for much longer periods, Mr. Wardall has authorized continuance of product campaigns.

Advertising Tells the Story

Martin's V.V.O. Scotch whisky, distributed nationally by McKesson, maintained schedules in 102 newspapers. Advertising continued for Hunter Baltimore rye whisky, Drambuie liqueur, Sandeman wine. A five-a-week morning program over ten CBS stations, called "Joyce Jordan, Girl Interne," still promotes Calox tooth powder and other drug products regularly. . . . Just prior to the reorganization, McKesson had made plans for a magazine campaign for Calox. This campaign, in 11 magazines, was released in January.

On December 31, Mr. Michaels sent to executives of all houses advance proofs of a special 420-line ad headed, "Facts about McKesson & Robbins." This ad was to run in 70 newspapers January 4.

Mr. Michaels urged the "vital importance" of bringing it to the "attention of retailers. . . . Every effort should be made to tell retailers how McKesson & Robbins is going to the public with a strong institutional message which cannot but have a favorable effect on their customers." He asked them also to post the ad on bulletin boards in manufacturing plants and sales offices, and thus bring it before "all connected with the McKesson organization. . . .

"The value to be extracted from this advertising program," he emphasized, "depends in large measure upon how thoroughly and intensively it is 'presold' to retailers and the company's own organization."

The big confidence-building job, however, was not by any means all done, nor all initiated, at headquarters. By middle and late December various groups were actually expressing themselves.

Many leading suppliers—among them Agfa-Ansco, Bauer & Black, Bayer, Coty, Emerson Drug, Eli Lilly, Mead, Johnson, Lambert Pharmacal, Coca-Cola, Weco Products, Phillips Chemical, National Carbon, Eastman Kodak, American Safety Razor, Gillette, Scott & Bowne, Sharp & Dohme, Pepsodent, Johnson & Johnson, Miles Laboratories—were voicing confidence in the essential soundness and integrity of the company and their willingness to continue doing business through these outlets.

Examples poured into headquarters of the way employe groups were responding. . . All employes of the Providence division signed a resolution, addressed to "the executives, stockholders and general public," asserting their "faith in the company's present leadership and in its policies

and products." . . . Roanoke employes wired Mr. Michaels their "utmost confidence in the integrity of you and our present executives." . . . Concluding their annual outing, employes of the Langley-Michaels and Kirk-Geary divisions in California wired, "We are now back to work without spending time and money reading hysterical propaganda . . . and are working tooth and nail." . . . Fifteen hundred employes, drug manufacturer representatives and others attended the third annual dance of the New York division, the theme of which was "On with the Dance-McKesson & Robbins!

Retailers groups in many states, from Florida to Oregon, spent their own money in newspaper advertising to express their faith in McKesson.

(Continued on page 69)

Advertising Campaigns

Old and New Products as Promoted in Newspapers, Magazines, Radio, Billboards and Dealer Helps

Salmon Start to Swim

The Canned Salmon Industry, Seattle, opens its '39 campaign with a display contest for retail grocers. A top award of \$750 goes to the best store display using canned salmon during Lent, February 22 to April 9. Some 550 other prizes range downward to \$5.

To assure equality of competition, the contest has been divided into three groups, graded according to the sizes of displays: Those using three to eight cases of salmon, nine to fifteen, etc., Grocers submit photographs.

Magazine ads break in June issues of Good Housekeeping, Ladies' Home Journal, Woman's Home Companion, McCall's, Pictorial Review, American Home, True Story. Part of this schedule, which extends through the rest of the year, is in full color, part in b. & w. J. Walter Thompson's Seattle office is in charge.

Roasters Get Hot

Bouncing from sales of 50,000 units in 1934 to 250,000 in '37, moving into fifth place in the number of sales of all appliances retailing for more than \$20 in '38, the electric roaster is well past the infancy stage. But up to now no heavy advertising pressure has been put behind it.

Starting in March, and running for a minimum of three years, electric roaster makers, through the Modern Kitchen Bureau, are turning on the juice. Everhot, General Electric, Nesco, Proctor, and Westinghouse combine to tell women "How to enjoy easier cooking—easier living."

McCall's, Woman's Home Companion, Saturday Evening Post carry the consumer copy. Modern Kitchen Bureau has provided a batch of dealer supplementary material — newspaper ads, window and counter cards, booklets, local radio announcements.

Ralph H. Jones Co., Cincinnati office, is in charge.

Bob Pins Up

With last year's sales of bob hairpins 60% over '37, De Long Hook & Eye Co., Philadelphia, broadens its ad coverage. Eighteen movie-loveromance-radio magazines, combined circulation more than 25,000,000, are being used. Their readers are girls under 25, the most frequent users—and losers—of bob pins.

Trade papers on the list are Syndicate Store Merchandiser, Dry Goods Journal, Notion & Novelty Review, Drug Topics. Lincoln Roden, Inc., Philadelphia, is the agency.

Plenty Potatoes

Maine Development Commission, taking a backward glance at last year's marketing and advertising program for potatoes, finds:

In spite of glutted markets, the entire crop of Maine spuds—52,000 carlots—was moved into a widened territory at higher prices; demand for

small packages increased; "the attention of more than half the nation was focused on the essential food values

to be found in potatoes."

It is the aim of the 1938-39 program to "increase and intensify these gains" by ads in 112 newspapers from Virginia to Illinois, twice weekly broadcasts on 17 stations of the Mutual and Yankee networks, space in some 16 trade papers. Brooke, Smith, French & Dorrance, N. Y., is the agency, which is endeavoring to make Maine's red, white and blue potato label as familiar as the Sunkist orange.

Citrus Sale No. 2

The Texas, California, and Florida citrus industry scuttled sectional jeal-ousies to pull together in the first National Citrus Sale, November 25-December 4. They were prompted thereto by the largest citrus crop in American history.

Now comes the second sale January 28 to February 4. A third will follow March 2 to 12. These three drives, participated in by over 200,000 food outlets, are said to be the biggest ever

staged by food distributors.

Practically every form of publicity is being used by the Florida Citrus Commission, the Rio Grande Valley Citrus Exchange, the California Fruit Growers Exchange, and the cooperating merchants—from window signs to 24-sheet posters, magazine pages to national hook-ups.

Arthur Kudner, N. Y., agency for Florida, handled the first promotion. Leche & Leche, Dallas, Texas' agency, is in charge of the second. Lord & Thomas, agency for California, is ar-

ranging the last.

Limited Price Variety Stores Association (6,000 five-and-ten stores) and Institute of Distribution (9,000 shoe, variety, wearing apparel and other chain stores) have agreed to put their weight behind the drive with displays, even though they do not sell citrus.

Parade of Progress

Sponsored by Associated Grocery Manufacturers of America, the Parade of Progress of Nationally Known Grocery Products will take from April 6 to May 6 to pass a given point. That's because the procession is in box car figures.

The 250 AGMA members whose sales exceed \$4,000,000,000, whose employes are over 1,000,000, will talk about the parade in their ads. Some 120,000 grocery stores have pledged cooperation. Nearly every other grocery organization has endorsed it.

NBC began the first of 15 c-to-c dramatizations of the industry's prog-



This will run in 15 newspapers and the S.E.P. as part of the "Parade of Progress" promotion on which an estimated \$10,000,000 will be spent.

ress January 26. CBS, Mutual, and individual stations will chime in too.

Magazines promoting the event by ads and editorially include Ladies' Home Journal, Woman's Home Companion, McCall's, Good Housekeeping, Pictorial Review, Better Homes & Gardens, Macfadden and Fawcett publications, Simplicity's Prevue, American, S. E. P., Life, Collier's, Farm Journal, Country Home. Hundreds of newspapers will participate, as will trade journals. Point of sale banners, placards, etc., form an extensive list.

All these "billions of impressions" are designed to "develop and promote a better understanding among manufacturers, distributors, and consumers; an understanding which will reveal to Mrs. America what manufacturers have done in her interest; what is behind the product; what makes a business grow," explains Paul S. Willis, AGMA president.

Overcoat: \$900

Witlin & Gallagher, Philadelphia tailors, recently inserted a chaste announcement in the Evening Bulletin of "Men's heavyweight overcoats, 100% pure Stroock Vicuna cloth, \$900." Copy continued:

"The entire fleece of more than 60

"The entire fleece of more than 60 Andean Vicunas is required to produce sufficient cloth for just one of these superb overcoats. Because of the scarcity of this rare animal, its precious fleece is sold exclusively under license of the Peruvian government. Only enough of this exquisite cloth is available annually to make 50 of these unique overcoats.

"Stroock Mills . . . have loomed this superbly soft and radiant fleece into a cloth that is necessarily expensive. Yet to the few discriminating men who can afford its luxury, the price is incidental to owning an overcoat made of the 'world's finest fabric.'"

Sidney H. Weiler agency in charge reports that Stroock Mills paid for the "matchless distinction in apparel" ad. Can any other company match it in high-toned exclusiveness?

Biggest Maiden Form

Maiden Form Brassiere Corp., N. Y., busts loose with the "largest advertising campaign in the company's history and likely to prove to be the greatest ever placed by any foundation garment manufacturer."

Eighty-four newspapers are on the list, in 53 of which rotogravure space is scheduled. Magazines number 39. Car and bus cards, and theatre programs supplement. Arthur Rosenberg, N. Y., is the agency.

Pan-Am-Paramount Co-op

What is believed to be a new high in cooperation between non-competitive advertisers is the 1939 campaign announced by Pan American Petroleum Corp. of New Orleans and Paramount Pictures, Inc. Paramount stars and pictures will be featured in all Pan-Am gas and oil advertising, including 24-sheet posters, newspaper insertions, point of sale material to be posted in thousands of Pan-Am stations, and a monthly four-page tabloid titled "Pan-Am Movie News."

Madeleine Carroll, Claudette Colbert, Fred MacMurray, Martha Raye, George Raft, Dorothy Lamour, Bob Burns, Shirley Ross, Isa Miranda, Ray Milland, Andy Devine, Bob Hope—



Glamour and gas team up on billboards, as well as in other media.

even director Cecil B. DeMille—are some of the stars who will be featured.

According to Fitzgerald Advertising Agency, Inc., New Orleans, agents for Pan-Am, the tieup is being staged throughout Louisiana, Mississippi, Alabama and Tennessee.

Announced at the time Pan-Am's 1939 advertising plans were presented at its annual sales meeting, attended by 1,500 dealers and agents in New Orleans January 18, the promotion got under way late in January with the appearance of the first of a series of 24-sheet posters. The first poster, gave equal prominence to Madeleine Carroll, billed as "Heroine to millions," and the Pan-Am service man—"Hero to your car."

Succeeding posters will have a phrase that applies equally well to the movie star and the Pan-Am product advertised. That featuring George Raft, for example, will carry the line "Two favorites—both tough" and will refer to Pan-Am motor oil as well as to the gangster picture luminary. "Power to thrill you" will be the wording used to tie-in director De-Mille and Pan-Am gasoline. "They win new fans every day" will be the expression used on the Fred Mac-Murray-Pan-Am board.

Newspaper advertising will appear in local dailies at the same time Paramount releases copy for its principal pictures. When Bob Hope and Martha Raye appear at the local theatre, for example, in their costarring production, "Never Say Die," Pan-Am newspaper advertising will run with "Full of Life" as its headline, referring to both the comedy duo and Pan-Am gasoline. Readers will be reminded to see the picture, which will be mentioned by name in the advertisement.

Taking a page from Gulf Refining Co.'s advertising portfolio (Gulf has been distributing a "comic weekly" through its service stations) Pan-Am has devised a tabloid to be issued

monthly and called "Pan-Am Movie News." The front cover will be given over to a portrait of the star featured on the month's billboards. The back cover will carry Pan-Am product advertising, heralded as "Great Performers, Too!" Space is provided at the bottom of the back cover for an imprint giving the name of the service station, the name of the theatre where the star shown on the front cover is appearing, and any other pertinent information desired.

Inside pages of "Movie News" will carry up-to-the-minute news of Paramount pictures.

Another link in the chain of cooperation will be the large one-sheet posters to be posted in the service station window. Here, again, the illustration will be a portrait of the "star of the month" in full colors with the message, in bold type, "Free Movie News Here."

Both Pan-Am and Paramount field men have been supplied with suggestions as to the best ways to cooperate with one another for maximum benefit to both organizations. Theatres where Paramount films are showing, for instance, have agreed to give lobby display space to Pan-Am products. Some will go so far as to show "trailers" telling patrons about the free "Movie News" being distributed at local Pan-Am service stations.

Pan-Am dealers, in turn, will utilize Paramount promotional material and will include Paramount in their own advertising. Copies of "Movie News" distributed through them to motorists will carry an imprint giving the name of the theatre showing the Paramount film advertised and the dates of the local appearance.

Pan-Am newspaper advertising will be scheduled to appear at the same time Paramount releases its own campaign on certain pictures. Utilization of every advertisement and each piece of Pan-Am promotional material will synchronize with the picture run in

Gruen of Time Hill

Gruen Watch Co., Cincinnati, enlarged its ad budget and is running pages in S. E. P., Time, Vogue, Esquire, New Yorker, True Story, and a number of Canadian publications. McCann-Erickson, N. Y., is in charge. The "Verithin, thinnest popular-priced wrist watch in the world," is being featured.

In addition, six transcribed radio programs are being used locally by jewelers.

Next Spring, Gruen will sponsor a contest for prep and high school students. A \$1,000 scholarship in any college, or cash, will be paid for the best 50-word paragraph on "I'm proud to be an American because ——." Second and third prizes are \$500 and \$250, with Gruen watches for winners in each school. Students register with their local jewelers. Reuben H. Donnelley Corp. is to handle the contest by direct-mail promotion.

Prune Proration

Unadvertised since 1934-35, prunes are back again with a campaign under the auspices of the Prune Proration Zone 1, California. The state's Prorate Law assesses all growers, provided 65% of them accept a program.

Chicago, Boston, Philadelphia, Kansas City, Minneapolis-St. Paul, and Milwaukee are being covered. Twiceweekly transcribed radio periods on stations WBBM, WNAC, KYW, KMBC, WCCO, WTMJ are employed. Space in the Chicago American and Daily News; Minneapolis Journal, St. Paul Dispatch & Pioneer Press, Kansas City Star-Times, Boston Herald-Traveler, Philadelphia Bulletin, Milwaukee Journal, also.

Dealer displays and a Prune Exhibit at the San Francisco World's Fair round out the effort. Lord & Thomas, S. F. office, is the agency.

Notion Parade

Three hundred department stores of as many cities have joined with some 14 manufacturers of notions to march a "Parade of American Notions" from January through June 30. Each store has agreed to run at least a newspaper page ad. A minimum of 1,000,000 lines of brand new space are thus plumping into the papers' welcoming hands.

Notions makers calling attention to "newly styled merchandise created in the past few years" include Belding-Heminway-Corticelli; De Long Hook & Eye; I. B. Kleinert Rubber; Richards, Boggs & King; Spool Cotton Co.; Tampax, Inc.; J. Wiss & Sons.

(Continued on page 68)



Underwood & Underwood
Speak of savings—and watch the glint of interest replace the flat stare of indifference
in the buyer's eye

Sales Voltage in Two Syllables

BY BRUCE CROWELL

AVINGS" is a word we who sell ought to dwell on more frequently. The appeal it represents is basic in the selling of quality.

Basic because it hurdles price objections.

Basic because it embodies so completely the "you" approach in salesmanship.

No matter what it is you sell, if that product has merit, it will *save* something for the buyer.

If it's a sheer luxury product, it may save the prospect's face with his friends. It may save his reputation for good taste. It may save his own sense of well-being.

If it's an industrial product, it may save production costs or repair bills or layoffs for breakdowns of machinery.

If it's an improved package for sardines, it may save the housewife's temper, cut fingers or broken fingernails. If it's a refrigerator, it will save the messiness of ice in the kitchen, save waste in spoiled foods, save the babies' health because it preserves milk at low temperatures.

If it's air conditioning equipment, it saves Summer fatigue, retrieves lost work hours, saves hangover from loss of sleep, defeats hay fever attacks.

No need in citing further instances. Human nature is such that we all wish to conserve our resources, and sales appeal built around the "savings" idea is almost always sure of at least an interested reception.

Analyze your product anew and see how many points of savings you can catalog about it. Savings in health, money, reputation, repairs, annoyance, inconvenience, time, anxiety. If you do—and if you use what you discover—you'll begin to see the sparkle of interest in the eye of many a buyer who, up to now, has greeted you with nothing but a fishy stare.



Nothing approaches the motor car as America's favorite extravagance . . . nearly a quarter of all families surveyed in this study plan to buy a new one in 1939.

SM-Ross Federal survey in eight western and s. w. cities shows three-fifths of families set on buying at least one expensive product this year, with automobiles, refrigerators, trips and new homes leading the preferences.

Survey Indicates Sales Boom for Luxury Products in 1939

ATE in December Ross Federal field workers went to 1,507 heads of middle class households in eight cities* to find out what "out of the ordinary" purchases they were planning to make in 1939.

Analysis of the interviews shows that about two-thirds of the families are planning purchases averaging nearly \$500, and that the great majority have already made a strong mental commitment on brands. For example, eight out of every ten people who are planning to buy an automobile named the make of car they had decided on. Brand choices have been made on 70% of the anticipated refrigerator purchases, 57% on radios, 54% on washers, 46% on gas ranges,, 90% on vacuum cleaners, 100% on pianos.

Many of these buying decisions may be changed by advertising and personal salesmanship, but the decisions already reached do indicate the longpull power of advertising and goodwill.

Families with children of school age living at home are slightly better prospects for luxury items than those without children. The 1,507 interviews break down as follows:

* Denver 201, Des Moines 102, Kansas City, Mo., 251, Minneapolis 275, Memphis 201, New Orleans 276, Oklahoma City 100, Omaha 101.

C		Without Children	Total	
Interviews	44.3	55.7	100.0	
Families planning to buy "out of the ordinary" products in 1939		60.1	60.6	
Families not plan- ning such pur- chases	38.8*	39.9	39.4	

*10% of these families state that although they are not planning expensive purchases, children in their families are "turning on the heat," and their no-buying decision may not stand.

First and Most Important Purchase Planned

Question: "What article is most likely to be the first purchase that you will make, etc.?"

The base is the 913 (out of 1,507) families who named a product.

	With Children	Without Children %	
Automobiles	26.3	23.5	24.9
Mech. refrigerato	rs. 13.0	10.7	11.7
Trips	7.3	14.9	11.5
Houses, homes .	9.5	10.7	10.2
Furniture and draperies	8.1	7.7	7.9
Radios		6.5	6.6
Fur coats		4.4	4.8
Rugs and carpet	s 3.7	4.0	3.8
Home improveme	ents 3.4	3.4	3.4
Elec. washers	2.4	3.6	3.1
Gas ranges	2.4	2.8	2.6
Vacuum cleaners	2.9	1.8	2.3
Pianos	2.4	.6	1.4

		Without Children %	Total
Oil burners	 2.0	.4	1.1
Elec. ranges	 .5	1.4	1.0
Ironers	 1.0	1.0	1.0
All others	 3.1	2.6	2.7

Ten brand leaders in automobiles, with percentage of families wanting each: Chevrolet 23.5, Ford 19.5, Plymouth 10.2, Dodge 8.4, Buick, 7.1, Oldsmobile 4.0, Pontiac 4.0, Studebaker 2.2, Chrysler 1.3, Nash, 1.3. Among families with children of school age, Chevrolet and Ford were tied, Plymouth was half again as popular as among childless families, and Dodge was only half as popular. Studebakers were wanted by only 0.8% of childless families, but by 3.7% of those with children.

Preferences for mechanical refrigerators: Frigidaire 20.6, G.E. 13.1, Westinghouse 9.3, Electrolux 9.3, Norge 8.4, Coldspot 4.7, Crosley 3.7, Fairbanks-Morse 0.9, Kelvinator 0.9, Majestic 0.9. G.E., Westinghouse and Electrolux showed up much better among families with young children—Frigidaire and Norge not so well.

Trips planned: New York 10.5, San Francisco, Chicago, Europe, California and Texas blanketed for second

Leaders in radio preferences: Philco 31.7, RCA 6.7, Zenith 5.0, G.E. 5.0, Stromberg-Carlson 3.3, Crosley, Emerson, Silvertone and Westinghouse each

1.7. Four out of ten had made no brand decision.

Other leaders (in order of preference): Maytag, Easy and Norge washers; Monarch, Chambers and C.P. gas ranges; Hoover, Electrolux and Eureka cleaners; Williams and Nokol oil burners; G.E. and Westinghouse electric ranges.

Cash or Installments?

Families with children are less likely to pay cash:

ro Ira	C		Without Children %	Total
Cash or open	credit	37.9	45.6	42.2
Installments .		57.9	49.8	53.4
Don't know .		4.2	4.6	4.4

Other Luxury Products for Probable 1939 Purchase: 37% of the families with growing children and 32% of the families without children, or 34% of the total families, are planning to purchase additional luxury products.

Leading items in the additional list are (the base being the 313 families who plan to buy other luxuries):

	Children	Without Children	
	%	%	%
Furniture and			
draperies	. 17.1	24.2	20.8
Automobiles	. 17.1	17.4	17.3
Radios	. 9.2	11.2	10.2
Mech. refrigerators.	. 7.2	11.2	9.3
Trips		8.1	9.3
Rugs and carpets		6.8	7.3
Fur coats	. 7.2	3.7	5.4
Vacuum cleaners .	5.9	5.0	5.4
Houses, homes	. 7.9	2.5	5.1
Home improvemen	ts 2.0	5.6	3.8
	1		

1,272 luxury product purchases are planned by the 1,507 families (first and secondary votes totaled), with the ten leaders as follows:

	%
Automobiles	22.1
Furniture and draperies	10.8
Mech, refrigerators	10.7
Trips	10.5
Houses, homes	8.6
Radios	7.2
Fur coats	4.8
Rugs and carpets	4.6
Home improvements	
Elec. washers	
Vacuum cleaners	

What the Children Want

Children are putting on a strong "buy this' 'and "buy now" campaign in about 4 homes in every 10, according to the admission of parents, and the leading products they are gunning for are, in percentage:

																			70
Automobiles																i.	*		37.1
Radios																			22.9
Pianos												*			×				8.9
Refrigerators				á	4			4		ě	×	×				10.			5.2
Bicycles																			4.6
Furniture	ж.				*	*			*				*	*				×	3.3
Other musical	1	iı	ns	tı	ru	ır	n	e	n	ts		4	×		×				2.6
Typewriters		0 1				ě	*				×		,						2.6
Sporting equi	pi	m	e	ni	t	9			0					0					2.0
Parts 4 14 3																			

The children in these families prefer Fords over Chevrolets and Buicks over Dodges; RCA over Philco. It's a toss-up with them on Frigidaire and G.E., and on Corona and Remington.

Average Car 31 Mo. Old

Seven-tenths of the families interviewed in the 8 cities are automobile owners, the current registrations among the 1,063 automobile owning families being (leaders only):

5000	**		-	-	9		٠.	••	-	7.	,	•									
Chevrolet																					
Ford					۰	٠				٠				٠		0		0			
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This makes the median age about May-June, 1936.

During this year 270 of the families expect to buy a car. As of the close of 1938, seven-tenths of the families had cars. By the end of this year, if purchase plans are carried out, the percentage will jump to 76.7.

Total registrations in the eight counties in which the Ross Federal workers made interviews now stand at about 567,000 cars. By the end of 1940 that figure is likely to be 602,000.

125,000 people from these midwest cities will attend New York World's Fair: Grover Whalen can definitely count on 5% of the families from the Minneapolis to New Orleans belt, and another 10% are seriously considering the trip. The San Francisco Fair is assured of attendance by 2.4% of the families, and another 7.7% are considering.

toes Federal Research Corp. i East 45th Street, N. Y. C.	Order #1-41
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How One Hardware Jobber Arms His Dealers to Fight Price Competition

Featured leaders for each month, backed up with sales and merchandising helps, form the backbone of this wholesaler's "mutual" plan.

(Above) To encourage dealers to display items selected for special promotion, Bigelow-Dowse sets up a master display in its home office, photographs it, and send it to retailers to serve as a model. Here's a typical Christmas gift window in a small store.

O offset a seriously declining sales record, Bigelow-Dowse Co., Boston hardware wholesalers, established a retailer merchandising plan which is credited with having saved the business. At the end of the first year of plan operation, business had increased 51% and sales have been currently averaging 70% ahead.

The program had its origin in 1929, when business was slipping, a condition general in the wholesale hardware industry. So universal was this trend that some authorities openly predicted the doom of the hardware wholesaler.

About that time, Joseph Kennedy, previously a company sales representative, was placed in charge of sales. He immediately undertook a comprehensive study of the situation. First he studied the methods of successful retailers only to conclude that certain stores were successful because they invariably sold merchandise at lower prices.

Discussing the problem one day with a business associate known for his merchandising successes, Mr. Kennedy deplored the price situation, since he believed lower prices were the basis for the success of certain retailers.

Said his friend, "You are wrong. It is not prices but advertising and merchandising that make those retailers successful."

Mr. Kennedy set out to devise a plan whereby the company's retailers could profitably merchandise their wares. From then on, things happened.

Late in 1934, ten dealers were called to the Bigelow-Dowse offices, the intent being to use those ten stores to test and work out an efficient merchandising plan. Roughly, the plan was to select certain items of merchandise to be promoted by member-retailers who would receive various promotional helps furnished by the wholesaler for a given monthly fee.

The plan was submitted, but the test was never made! It sounded so promising to one retailer that he took the floor to endorse the plan and to suggest that the test be thrown out the window and the plan be at once placed in complete operation. It had originally been planned to conduct tests during November and December. To do this, said the retailer, would call for launching the plan during the first three months of 1935, at which time he predicted negligible response because of the slumping hardware sales of that period.

Retailers were in urgent need of the help, he said. His call for action was supported by other retailers, who hastily jumped aboard the band wagon and asked for help at once.

As a result, the testing preliminaries were discarded and the plan was launched. National Hardware Stores, Inc., with Mr. Kennedy as president, was formed. Invitations were issued to 100 retailers to gather at company offices to hear about the plan.

Meetings were then held in Augusta, Bangor, Portsmouth, Springfield, Hartford, Providence, Pittsfield and other cities where Bigelow-Dowse contacts are strongest. Following the holding of 14 meetings within five weeks, National Hardware Stores on December 1, 1934 had 257 signed members.

These retailers were willing to pay \$12 a month in return for a complete advertising and merchandising campaign the year 'round. Retailers are signed up without contracts, since membership is entirely voluntary.

"Each month," explains Mr. Kennedy, "we select between 50 and 60 items, selections being made for timeliness, profit, and consumer appeal. Selections are so made that, while about ten items are leaders, the average holds good profit possibility and consumer acceptance.

"Typical items are a 17-piece glass set retailing for 98 cents, a 20-quart canner for 98 cents, two-burner electric stove for \$1.59, electric flat iron for \$1.98 and utility chairs.

"On the 15th of the month prior to each monthly promotion, the retailer



is notified of the merchandise selections, and special order blanks are provided for this merchandise. While the company urges the purchase of complete packages, it nevertheless fills all orders, whether for part or whole cases, at no price deviation, thus giving all stores the same advantage."

For the promotion, each retailer receives 1,000 copies of a four-page newspaper, "National News." While retailers have experimented with various ways of delivery, including telegraph messenger boys and school boys, more than half the stores now mail these newspapers, with consistently good results. Each retailer also receives two sets of colored price cards, one for the window and the other for inside displays.

To encourage dealers to feature selected merchandise in window displays, National Hardware Stores sets up a master display at its offices, photographs this, and sends duplicate prints to each member-retailer. From these photographs, dealers put in their own displays, but they are relieved of planning the trims. A typical window is shown in the photograph reproduced on page 26.

Tonic for Retail Salesmen

For maintaining interest among member stores, Mr. Kennedy issues a monthly bulletin to retailers and one to store salesmen. A recent bulletin to stores, for instance, featuring National Hardware Week, urged dealers to use attractive displays for the event. Another bulletin played up the importance of price tags, since 80% of hardware sales are the result of shopping around and window gazing. This same bulletin urged retailers to buy a particular display fixture, since some members had reported exceptionally good profits from its use. Bulletins to salesmen are chiefly inspirational, urging emphasis on better grade merchandise, larger sized units and profitable items.

But the high spot of the National plan comes twice each year, in March and September, when it brings its several hundred retailer members together, chiefly to book orders for the season ahead. Unique in the hardware field, the purpose is to maintain member interest, to obtain advance information on seasonable goods, and to present for that day only specially-priced merchandise that enables its members to compete with other merchants.

In half an hour of showing and describing this specially-priced merchandise, Mr. Kennedy chalks up a volume of business that would amaze most hardware wholesalers.

In addition to this business, the company sells considerable merchandise of a standard nature and items for the approaching season. This enables Bigelow-Dowse to do a large volume of business in one day without traveling expense, and it can thus plan its purchasing more efficiently.

The most recent event of this type was held in mid-September in Boston's City Club with an attendance of some 500 men and women. It was an all-day affair, with retailers first visiting the manufacturers' displays and frequently chatting with the manufacturers' sales representatives. Merchandise displayed included toys of all price levels, kitchen furnishings of all kinds, gift merchandise, window ventilators, radiator covers, Christmas tree lights, home workshop tools, paints, and other items for the season just ahead.

In addition to inspecting merchandise and placing orders, the dealers had many pleasant chats with fellow hardware merchants whose friendship they have cultivated through these National meetings.

From the stage, Mr. Kennedy called attention to the various manufacturers' displays and announced some future promotions for which buying was solicited. A one-day goldfish promotion, similar to that run in March,

A Typical National Stores Bulletin

TO STORE SALESMEN:

All help in a retail store is divided into two classes:

- Salesmen who serve both customers and their employers.
- 2. Clerks who serve neither customers nor employers.

Your store is dependent on the good-will of your customers. You can maintain this good-will only by giving customers good service, good merchandise, and by making suggestions as to why a good price of merchandise will prove most economical for the customers' use. If you are a real salesman you must sell quality items at a profit to your store.

Through your advertising, consumers are coming into your stores seeking bargains. By exercising sales ability you make completed sales profitable ones.

In the last few months you have been offering merchandise to your customers at wholesalers' cost. These particular items show your store no profit, but they do attract buyers and, through display and suggestion, it is up to you to sell other merchandise so that every sale becomes profitable.

It requires salesmen to do this. Clerks don't. What is your classification?

NATIONAL HARDWARE STORES, INC.

Joe Kennedy Head Clerk when most dealers were sold out within a few hours, was announced for October 27; and a punch card sale of a combination fruit juicer and mixer to run from the first of October to the first of Japuagy was also appropried

first of January was also announced. At four o'clock came the day's price specials, offered at each event of this kind. While this merchandise was on display throughout the day, there were no prices marked, Mr. Kennedy and one official of the company being the only ones who knew the actual prices at which the items will be offered. Mr. Kennedy took the stage, held each product in turn before his audience and quoted its price "for one minute while members filled in their special order blanks for wanted quantities. That these specially priced items were real values was evidenced by the silence which prevailed throughout Mr. Kennedy's half hour of stage selling. Items included varnish, underground garbage receiver, tea kettle, floor mop, vacuum bottle and waste paper basket.

Promotion Plans Build Volume

National Hardware Stores operates only in New England with members throughout the area but with the largest number in the northern area. National Stores have been signed up without regard to competition, with two members in many small towns, with four in Waterville, Maine, and four in Westfield, Mass. However, Mr. Kennedy states that the company is now endeavoring in future applications to sign up only stores which do not compete with other National Stores.

Recently Mr. Kennedy in one week visited 19 hardware stores, spread out over an area of 250 miles. Of this number, 13 were using the National program, and every one reported better business than in 1937, with increases ranging from five to 33-1/3%. Of the six not using the National program, two reported sales comparable to last year, and four reported a decline of from 3 to 20% in sales.

One of National's rural stores, selling hardware, grocery and dry goods, reported a falling off on both groceries and dry goods, but a 28% increase in hardware sales, which they attributed to the National merchandising plan.

Manufacturers have given the program hearty endorsement and have aided wherever possible in supplying materials for advertising. The plan has given Bigelow-Dowse salesmen something new to talk about and is winning a warmer welcome for them from the retailers.



In the Eyes of Oklahoma-Texas Bankers

• Down in the Oklahoma-North Texas section there is a banker who has a singular way of determining the stability of his farmer-clients. Let him tell you his method. He says, "I very often ask some farmer-customer of mine if he is getting your paper. Perhaps at the time I am talking to him about a loan and I suggest that he give me 50c to send in for him for a year's subscription to The Farmer-Stockman"

Most rural bankers in Oklahoma and North Texas are farmers themselves. As such they subscribe to and read The Farmer-Stockman. They have followed for years the many projects mapped out for raising the standards of agriculture in the Southwest. They have been able to sense the confidence The Farmer-Stockman enjoys among its more than 237,000 subscribers

a confidence that has resulted from the ability of the Oklahoma Publishing Company to coordinate its men, methods and machinery into an outstanding farm journal that serves as the company's cornerstone of its service to the Southwest. They are, to quote the above banker, "certainly

delighted to encourage our customers to read this paper."

Farmers of the Oklahoma-North Texas area have a hard-to-break thirty year-old habit of farming by The Farmer-Stockman . . . a fact that shrewd advertisers should never overlook at schedule-making time.

The FARMER-STOCKMAN

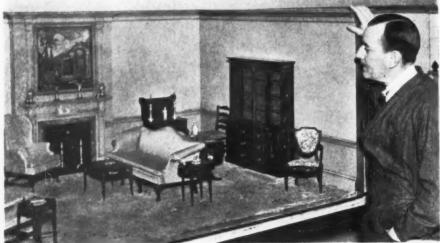
OKLAHOMA CITY, OKLAHOMA

THE OKLAHOMA PUBLISHING CO. . THE OKLAHOMAN AND TIMES . MISTLETOE EXPRESS . WKY. OKLAHOMA CITY

EVOR. COLORADO SPRINGS • ELZ. DENVER (Affiliated Management) • REPRESENTED BY THE KATZ AGENCY, INC.

FEBRUARY 1, 1939

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(Left) "If we can help prospects to visualize how beautiful Beacon Hill furniture will look in their own homes, that's half the sales battle," reasoned the Beacon Hill folks. So Designer Dexter S. Spalding created these exquisite miniatures.

(Below) Typical pieces from the Beacon Hill line—designed and built for a distinctly quality market. The Georgian table at the right is a "best seller."

What Kind of Sales Appeal Will Attract—and Sell— the "Carriage Trade"?

The makers of Beacon Hill furniture haven't allowed themselves to be lured into cheapening their high-priced reproductions of antiques. Craftsmanship is their pride—and their strongest sales argument.



T took the depression to prod Kaplan Furniture Co., Cambridge, Mass., manufacturers of fine furniture, into developing a sales plan that has made their volume for 1938 twice that of 1932.

Outstanding features of the plan are: Adopting the trade name "Beacon Hill" for the firm's line of reproductions of antiques, authentic copies of pieces in Boston's fine old homes; working closely with a limited number of outlets, all high-class stores, instead of the usual method (for makers of expensive furniture) of selling from a show-room and with the aid of deco-rators; promoting the name "Beacon Hill," always emphasizing quality and prestige, through lending accurately scaled miniature furniture (insured for \$35,000) to retail outlets; selling to stores, at cost, a handsomely bound book, "The Beacon Hill Collection," each volume a collector's item in itself and bearing the individual store's

A sidelight on the plan was the moving of Vice-President-Sales Manager Irwin A. Schwartz to New York, where he could keep in close touch with B. Altman & Co., top-ranking Beacon Hill outlet, which has sold \$128,000 worth of that furniture in the year the plan has been in operation. Sales Manager Schwartz expects Altman to dispose of \$400,000 worth in the coming year.

The company was founded in 1903 by Isaac Kaplan, now the president. He had been in the United States a year, which he spent with Paine Furniture Co. of Boston, now one of his customers. At the end of that year he went back to his trade of cabinet-making, which he had learned in England.

At first Mr. Kaplan did repair jobs for residents of Boston's famous Beacon Hill section. Then, realizing his skill, his clients began to ask him to duplicate certain pieces for their married children who were setting up homes for themselves. When he received such an order he would ask for, and receive, permission to duplicate the piece for himself. Naturally, he found buyers for these authentic

reproductions. At the end of five years he had a staff of about ten working for him. Eventually his firm became well known as manufacturers of Colonial reproductions, sold extensively through high-class retail outlets.

The depression was particularly hard on manufacturers of expensive furniture. Pressed for cash, a few offered their lines to retailers at big reductions. Bedrooms manufactured to sell at, say, \$1,000 were offered to the public at \$500. When a store in a city adopted this custom, competitors would go to their sources demanding merchandise at similar reductions. Soon all over the country consumers were buying fine furniture at prices far below former levels. There was a period of readjustment, particularly difficult for manufacturers, who were compelled to produce furniture more economically. "They did it somehow," said Mr. Schwartz, "and as a result fine furniture is available today at a remarkably low price."

Kaplan Furniture Co.'s method of meeting new conditions was different

It's the LIFE they lead ...

SUBURBAN

WHETHER THEY LIVE IN . .

- . INDIANAPOLIS, IND.
- WAUKESHA, WISCONSIN
- . WOODLAND, CALIFORNIA







Early Symptoms of Suburbanitis: Unhappy in stuffy flats; cubby-hole apartments; rented houses. Happy only in a home they own ... preferably a home they build.

That applies to people whether they live in big towns or small towns or in-between. If they're suburban-at-beart they find happiness in a mode of life that sets them apart; that glorifies Home, Garden, Children as the big things, the glamorous things, in life.

Happiness has nothing to do with geography. It isn't where they live but how they live that makes a family suburban.

Where do these Suburbanites look for inspiration and education? In Better Homes & Gardens! If they're building a home they know Better Homes & Gardens is the great fountainhead of building information in America. They know it pioneered the now-famous Bildcost idea and countless other innovations in building and rebuilding.

And that goes for food; for child-care; for

everything that touches the home, inside and out. Better Homes & Gardens is their book because it mirrors their mode of life.

By the same token, Mr. Advertiser, Better Homes & Gardens is your book because it will mirror your message to America's Biggest Suburban Home Market: 1,850,000 above-average families who read, believe, buy! Meredith Publishing Company, Des Moines.



BETTER HOMES & GARDENS

REACHING 1,850,000 FAMILIES AMERICA'S BIGGEST HOME MARKET

It's the BOOK they read



from that of other firms. The company has continued to manufacture its regular Colonial line, which is sold through about 50 stores. But it began to concentrate on its high-quality line, to which the name Beacon Hill was applied. Only the best stores were selected as outlets.

Then the company gave an order for 5,000 copies of the 115-page book, "Beacon Hill Collection," resembling a museum catalog, to the University Press of Cambridge. Inside front and back covers are terra cotta colored maps, with line drawings, of Beacon Hill, the legend indicating 50 points of historic interest and homes of early The volume consists Bostonians. mainly of illustrations, photographs of items in the Beacon Hill collection shown in appropriate settings—beside Georgian fireplaces and seen through old doorways. Captions are descriptive and contain bits of history. Example: "Sheraton mahogany field bed, from American design of the period 1795. Salem, Massachusetts, origin. Original once owned by General Miller of the War of 1812, is still in possession of a descendant."

The Shopper Sells Herself

The idea of Sales Manager Schwartz, the book has helped retailers beyond measure. It is used in this manner: When a woman inspects a Beacon Hill piece and is undecided about buying it, the salesman says to her, "I'm going to lend you my personal copy of this book, 'The Beacon Hill Collection,' Take it home and study this illustration of the table (or sofa or sideboard) in which you are interested. Show it to your husband. Think about where you will put it and how it will fit into your home." The book does a selling job in the shopper's home. She is likely to become interested in the entire Beacon Hill line. She must return to the store to give the salesman his book—and very often she buys.

After a customer has bought his first Beacon Hill item, the store sends him a carefully worded letter and presents him with a copy of the book, which is prized if for no other reason than to be shown to friends with some such remark as, "Here's a picture and history of the original of our pie-crust table." Naturally, the book continues to act as a silent salesman, though there's not a price nor line of actual selling copy in it. (A new 200-page edition is now in preparation.)

Shortly after B. Altman took the

Shortly after B. Altman took the Beacon Hill line, Leonard Novagrad, the store's merchandise manager, conceived the idea that model rooms, in

miniature, would attract attention to the fine workmanship and design of the furniture. Officials of the company agreed, and the same workmen who create the full-sized line began to make reproductions at the scale of three inches to the foot.

Sales Tools de Luxe

There are 45 pieces in the collection of miniatures, each exactly duplicating its prototype. Everything "works. An extension dining table really extends to include two extra leaves. The needlepoint of a Hepplewhite chair has 2,000 stitches to the square inch. A coffee table has a leather top of the most delicate part of a kid's hide. True to 18th Century fashion, a breakfront has its shelves and interior painted turquoise, its exterior finished in Chinese lacquer. The firm's craftsmen are said to have put 3,500 working hours into the miniatures, at a cost of approximately \$18,000. They used dental and jewelers' tools and performed many operations under magnifying glasses. Dexter S. Spalding, designer, directed the project.

When completed, the miniatures were shown first at Altman's in New York—one week in window displays and a second in the store's 18th Century Shop. The doll-sized model rooms were shown beside similar groupings of the same pieces in normal size. The miniatures then went on tour to other Beacon Hill outlets, where they were displayed in the same manner. Each store exhibiting received from Kaplan tiny booklets telling the story of the miniatures, with pictures of their construction at various stages, descriptions of pieces in the collection-and a reproduction of the maker's hallmark carried with a number on each fullsized Beacon Hill item.

Needless to say, in their travels the miniatures received plenty of acclaim and reams of publicity in magazines and newspapers. They are to be brought back to New York in time for a showing at the World's Fair.

It is significant that although Kaplan Furniture Co. has more than 50 outlets for its lower-priced line, 75% of its volume is in Beacon Hill. The difference in price is wide, a seven-piece bedroom suite in the Colonial line selling for \$400 up, and a seven-piece Beacon Hill bedroom suite selling at from \$700 or \$800 up to \$1,200. (These are average retail prices.)

Sales Manager Schwartz puts in much of his time at Altman's—he moved to New York to be near that store. The store's sales staff frequently consults him on such questions as "Could we have this in a lighter finish?" and "Does this also come in a larger size?"—questions that would ordinarily be passed back to the factory by letter. Altman is his "model store." He brings Kaplan salesmen there to study its methods, that they may pass them along to other outlets. When out-of-town furniture buyers visit New York, he invites them to look at the line—at Altman's.

"I make frequent trips to the home office, where there are about 200 employes," he told SM. "They are keenly interested in what's going on in the field. You ought to hear the questions they ask me. They like to hear anecdotes about consumers—about how Mrs. Brown liked a chair so well that she brought Mrs. Smith in to buy one just like it. I keep pounding away to them on quality, telling them that's the one thing we have to sell—quality and prestige.

Trends in Furniture

"Some of our men have been with the firm almost ever since it was founded, 30 years and more. Turnover among employes is low. I estimate the average length of service is about 15 years. Everybody gets a bonus annually, based on profits. In good years it amounts to five or six thousand dollars. We have group insurance. We have to train our own workers, as some of the things they do are a lost art today. For instance, we make most of our own hardware. Our foreman has a brother who is head of a Boston trade school, and we pick out one or two of his most promising graduates each year to be trained as apprentices."

In answer to the question, "What are the best sellers now in the furniture field?" Mr. Schwartz answered: "In our field Regency is very good. There's nice volume in occasional furniture at this time. These trends go in cycles, and there are sound reasons behind them. During the depression families doubled up. In many a home someone had to sleep in the living room, so there was good business in studio beds. Many thousands of them, in maple, were sold at about \$39.95. Later, as families spread out, there was a big demand for living room furniture, for upholstered suites. Now, with the essentials on hand, people are buying occasional pieces. For us, this is reflected in the volume in occasional tables. Altman promoted 12 different styles of Beacon Hill tables as Christmas gifts. Results were excellent."



The big lines feed the little lines . . . and vice versa.

How the "Feeder" Air Lines Are Fighting Their Sales Battles

One-fourth of all the air miles flown in this country are handled by air lines other than the famed transcontinental Big Three. Good service and good salesmanship are responsible for their growing importance.

BY MILTON VAN SLYCK

IR transport, that infant Paul Bunyan of the transportation world, again is displaying signs of growing pains. Another period of expansion is due. This time it will be a broadening-out process, according to the applications for new routes filed with the Civil Aeronautics Authority. The authority was formed last Aug. 22 and is the sole administrative and regulatory body for aviation, replacing all other Federal agencies in that function.

Most of the applications ask for establishment of new routes of the feeder type or additions to existing airlines which would feed into air commerce channels already established. For this reason the requests serve to focus attention on the existing feeder airline service. These feeder routes, sometimes referred to as "narrowgauge" lines, are the circulatory system of the air transport industry. For the most part they run north and south, crossing the arterial east-west routes.

It comes as a surprise to most persons, even to those who profess airmindedness, to learn that in the United States there is a system of airlines flying one-fourth of all the miles flown but which is set apart distinctly from the transcontinental routes in its function. Because of the localized service performed, these feeders are

not as well known outside of their own locale as are the larger airlines. Yet, they perform a vital economic service. They multiply manifold the available points of direct airline service and materially expand the horizon of the industry. In doing this they have in many instances established enviable records for safety. Also the feeder lines are current examples of economy in management and allround ingenuity in airline operation.

Because of interlocking interests,

the feeder system and the trunk line system are curiously dependent on each other. It is an established fact that if the main routes were withdrawn the small lines soon would shrivel. But, it is also true that the trunk lines soon would show signs of acute traffic hunger should the feeder lines be eliminated. Despite this interdependency, the problems of the small lines in management, sales and operations ditfer from those of their larger contemporaries. Analysis of their operating statistics emphasizes this point. The heart of the small airlines' most pressing problem—the shortness of their average haul-is spotlighted by such figures.

The domestic airline industry in 1937 (comprising 21 airlines) flew 66,190,639 airplane miles. Seventeen small lines—making up the feeder

system—accounted for 26% of the aggregate, including one airline which, while larger than most feeders, terminates in Chicago and receives much connecting traffic. All airlines carried 1,102,707 passengers. The smaller lines accounted for 25% of this number. But, of a total of 476,603,165 passenger miles reported (a passenger mile is one passenger flown for one mile) the feeder lines flew only 16%. It is the number of passenger miles flown—not the total number of passengers carried—which determines passenger revenues. Here then, is a group of airlines flying more than one-fourth of all the miles flown, carrying a quarter of all the passengers, but getting only a little over one-sixth of the revenue-producing mileage!

The short haul produces the proportionately smaller revenue. As a consequence, mail revenues assume a greater importance because they furnish the only other major source of income. The United States Government has taken recognition of the economic service performed by the feeder lines. This has been done through establishment of a basis for mail payments which brings to the feeder a larger proportionate participation in total revenues than the straight pound mile payment would produce.

To illustrate: In 1937 all domestic airlines flew 13,392,752,924 mailpound miles, i.e., one pound of mail flown for one mile. Of this total the feeder lines flew 2,074,021,000 mailpound miles, or 15%. For this service they received aggregate payment of \$3,950,375, or 30% of the air mail appropriation of \$13,055,101. It is in air mail only that this type of direct remunerative encouragement is possible. In the figures for air express the trend as evidenced in passenger traffic statistics is repeated. Of the total of 7,127,369 pounds of air express flown, the feeders accounted for 1,722,325 pounds, or 24%. Yet, when the express pound-miles are compared, it is found that the feeders flew only 13% of the total, an even steeper inverse ratio than shown in the passenger figures.

Controlling Sales Costs

These statistics demonstrate that the job of managing a feeder line is no sinecure, and that operations must of necessity be conducted at a maximum of efficiency from top to bottom. Expenses, especially advertising and sales costs, must be carefully budgeted and spent to the best advantage. This means there is no room for expensive experiments in high-pressure sales promotion or publicity. "New" theories

in advertising or sales management which stray away from proved fundamentals are taboo. It means also that blanket coverage of cities by large solicitation forces are forbidden to the feeder as well as indulgence in "ultramodern" super-luxurious airplanes.

In short, the common variety of horse sense is the golden key to success for the small airline operator. As a result two "musts" head the list of the narrow-gauge operator: The cost of securing a passenger must be low; and the traffic department (which ordinarily handles sales, advertising, promotion and publicity) must be efficiently and economically managed.

Handicapped by the lack of ample funds with which to work, the management of the feeder airlines has to make every dollar count. Out of this necessity has been developed a sales technique based on personalized service and opportunism which makes up for its dollar deficiency with the intensity with which it is applied. Further, especially of late, systematic and coordinated sales plans have been finding favor among the feeders. Introduced recently by one feeder airline and gaining in popularity is a system-atized method for traffic control and prospect filing. A series of daily work organizer forms which are dated and filled-in for 60 days in advance is used. Accompanying the work organizers are case-history cards, daily call sheets, day-to-day records of outgoing passengers for each station and other records. The whole forms a comprehensive picture.

Instructions for the use of the forms are contained in the sales manual. The manual gives detailed information for standardized procedure in organizing a sales territory, listing each step to be taken. Air travel prospects are set forth in the order of their importance.

The Standard Sales Talk

A recent addition to this manual was a "canned" sales talk. This was compiled from the most successful of contemporary merchandisers' sales methods. It is used on the theory that certain proved methods of sales approach will bear the most fruit regardless of whether air transportation or a ton of coal is to be sold. Typically, these canned talks steer away from any over-emphasis of luxury as favored by some of the larger lines. Rather, time-saving features of air travel are emphasized and the savings is translated into dollars in terms of workhours saved.

A little gadget, called a "time-saver" or "economy table" is used in connection with the standardized talks. This has on one side a space where the prospect (for his own inspection only) may write down his monthly salary. Then the card directs him to divide his salary by 25 business days to get the daily salary. On the reverse side of the time-saver is a chart giving the time saved by flying, and this then is used as the basis for computation of dollars saved. Reports are that the device has proved an effective clincher in solicitation work. Variations in sales kits include a complete book of photograph illustrations of scenery, equipment and services of-

Ingenuity in Promotion

Coupled with the direct sales efforts and coordinated with the systematized sales instructions is the advertising, promotion and publicity work. The amount of such activity is governed by budget control. Magazines, newspapers, radio and direct mail are utilized to varying degrees. Some of the feeder lines, up to the passage of the Civil Aeronautics Act, had been using trade deals of "due bills" for a portion of their advertising, exchanging transportation over their lines for the space. The act contains certain provisions which have been interpreted by the airlines as restricting the use of such trade deals. Under the leader-ship of the Air Transport Association of America the feeders are seeking to have this restriction lifted or modified.

An analysis, which should be interesting to both advertisers and publications, has been prepared by the feeder lines which shows that in many instances the exchange transportation was only partly used as against 100% use of the advertising space. The average use made by the holders of trade agreement transportation, according to the analysis, was 40% of face value. In breaking this figure down, it was disclosed that because travelers using the exchange transportation did not always occupy seats which otherwise could have been sold the airlines actually received the advertising at a cost of approximately 30% of the standard published rates. Withdrawal of the privilege chiefly affects the feeder lines because such exchange deals were possible, for the most part, only with smaller publications outside of the large metropolitan areas.

The sales manager of the typical feeder line quickly develops the ability to make the most of every situation. This characteristic is perhaps best illustrated by the ingenuity used in promotion and publicity work. A good example is the avidity with which the feeder lines pounced on a promotion stunt which was started by one of the

transcontinental routes—an offer to carry wives free when accompanied by their fare-paying husbands.

The feeder lines continued the offer long after the larger airlines dropped it, and they left no angle of the unusual promotion unexplored, and with favorable results. One particularly successful angle worked out by the narrow-gaugers was a tie-in with department stores at various on-line points. The stores offered free trips to their women customers (as the result, of course, of a special arrangement with an airline) provided they would take their husbands along.

From such tie-ins the airlines received a good many pages of cooperative advertising (at no cost to the airlines). The airlines were featured prominently in the general store copy. In almost every branch of promotion the personnel of the feeder lines are

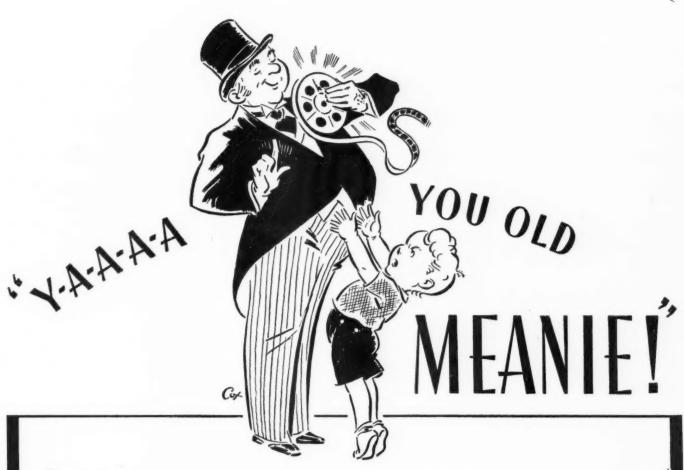
virtually omnipresent.

For example: Meetings of businessmen are followed and executives at banquets often as not find some inexpensive, but out of season, tid-bit at their plates along with an identifying card and, most likely a timetable. Almost any member of the sales force of a feeder line can make a presentable speech, and he stands ready at all times to address club or business groups. Stores featuring luggage sales are solicited by a sales representative who will supply individual assortments of luggage stickers made up in groups of stickers from all airlines-but, in a feeder line envelope and with a timetable enclosed.

Over-the-Transom Business

Intensity of the drive of the feeders for business and the determination of their sales forces to sell their services, when coupled with certain inherent advantages possessed by the feeder lines, does much to take the curse off the smallness of the gross revenues with which they have to work. natural advantages accrue as the result of the position occupied by them in the economic structure of the nation's aviation system. The most important of these advantages is the sustaining traffic which flows to the feeder system from the arterial routes in the everyday conduct of business. Made up of connecting business, this flow of traffic permits the feeders to hold solicitation forces to a minimum.

With the exception of only four or five feeder lines, sales offices generally are one-man affairs occupied by a combination of sales manager, solicitor, publicity representative, local lobbyist and what have you, all rolled into one. Yet, on analysis, a feeder line will (Continued on page 63)



IT'S a conspiracy.

The self-satisfied but rather selfish gent is not a retired capitalist but a composite drawing of present-day users of Minute Movies. Swell fellows—but they refuse us permission to publicize the results of their campaigns. This, in spite of the fact that—

Minute Movies—the youngest of the national media—are turning in some of the most outstanding sales results per dollar spent in some of the toughest markets in the United States:

Case A: Well-known advertiser in grocery field. Long a manufacturer and seller of a low priced article which has been a slow mover. After running Minute Movies in ten cities over 500,000 each in size, plus literally hundreds of smaller communities, this advertiser found sales increased more than 200% in six-week campaigns in each market! Increased distribution and grocery

store displays were important by-products!

We work closely with this advertiser and know many of the actual figures. But we're not allowed to print them. And, until we find an advertiser willing to share his good news story with others, all we can say is—

We have many case histories to tell you about. We have some remarkable new consumer motion picture advertising productions to show you—take a look and learn for yourself how Minute Movies breathe new life into a sales story by combining SIGHT—ACTION—SOUND simultaneously.

National Sales Representatives:

MACY & KLANER, INC.

Wrigley Building

Chicago, Illinois

JAM HANDY THEATRE SERVICE, INC.

230 Park Avenue

General Motors Bldg.

New York City

Detroit, Mich.



GENERAL SCREEN ADVERTISING, INC.

Member A. F. A.

WRIGLEY BUILDING

CHICAGO, ILLINOIS





LEARN 'EM YOUNG

Cast iron pipe has been predominant in its field of service for nearly three centuries. Naturally it is a familiar story to pipe buyers who are readers of business papers.

Sometimes these buyers say to our client, United States Pipe & Foundry Company, "Does business paper advertising pay you when we know so much about your product?" And Mr. D. B. Stokes, Vice President in Charge of Sales, replied: "The best evidence is the fact that we have been consistent users of page space in business papers for more than 20 years. We never let anyone forget our basic sales idea — the long life of cast iron pipe."

What Mr. Stokes tactfully refrains from mentioning is this: An oncoming generation is crowding today's buyers for their jobs—young men in engineering schools, in industry and in municipal services. It is sales insurance for the future to "teach the young idea" through advertising in the business and technical papers which they read as part of their education.

(Account executive for United States Pipe & Foundry Company)

ALLEY & RICHARDS CO.

GOOD BUSINESS PAPERS BUILD BETTER BUSINESS

BUILDING SUPPLY NEWS, Chicago

CHEMICAL & METALLURGICAL ENGI-NEERING, New York

NO 38 Discussions of TYPICALIOBS
GOOD BUSINESS PAPER ADVERTISING HAS DONE... prepared by advertising agencies of wide experience in the use of business paper space... sponsored by these outstanding business papers:
BAKERS' WEEKLY, New York

BOOT AND SHOE RECORDER, New

DEPARTMENT STORE ECONOMIST, New York ELECTRICAL WORLD, New York ENGINEERING & MINING JOURNAL, New York FOOD INDUSTRIES, New York THE IRON AGE, New York THE JEWELERS' CIRCULAR-REYSTONE,

LAUNDRY AGE, New York
MACHINERY, New York
MACHINE DESIGN, Cleveland
MARINE ENGINEERING AND SHIPPING
REVIEW, New York
POWER, New York
RAILWAY MECHANICAL ENGINEER,
New York
RESTAURANT MANAGEMENT, New
York
SALES MANAGEMENT, New York
STEEL, Cleveland

"I Can Get It for You Wholesale"

Think twice before you make yourself a party on either the buying or selling end of the "wholesale price to employes" game. Consumers get gypped on most items, and the indispensable retail structure is torn down.

BY H. H. DE SHAZO

New York District Sales Manager, The Simmons Company

EDITOR'S NOTE: Selling to consumers at so-called "wholesale" prices is like any other form of price cutting. Most consumers are gypped. The obvious savings made on "bait" merchandise—branded items, where normal retail prices are known—are more than counter-balanced by high prices on merchandise such as suites of furniture where consumers are unable to measure comparative values.

measure comparative values.

The Chicago Better Business Bureau made 54 purchases from "wholesale" firms. They cost \$395. The merchandise could have been bought for \$266 in regular retail outlets. In New York a self-styled "wholesaler" featured a seven-piece bedroom set for \$297. Although this was alleged to be "wholesale," the true wholesale price was \$128.90. The New York retail stores were selling the same set at \$260, or \$37 cheaper than the "wholesaler."

HE time was when every sales manager took thought only for himself, and was quite willing to let the devil take the hindmost. Now, partly through depressed business conditions and partly through social disturbances, some of us are beginning to think differently. I am one.

Take, for example, this problem of diverted retail distribution. Let's be plain and call it what it really is—the retailer run-around. Is it serious? Are the manufacturers or the retailers to blame that hundreds of millions of dollars worth of merchandise reaches the consumer by ways other than the

legitimate retail store? What is to be done about it?

My company likes to think of itself as progressive and cooperative. We have originated a good product, have established it through national advertising and are ceaselessly insisting that it is our right—and consequently the retailers'—to claim a fair profit. Hence, we believe in the fair trade laws and are doing our best to see that they are enforced.

There are two outstanding mischief-makers in the home furnishings field. In essence they are really one. The only difference is that in the large centers of population, such as New York, Chicago, Philadelphia, etc., they are known to the trade and the prosecuting attorneys' offices and Better Business Bureaus as "wholesalers"; while in many cases elsewhere—where Uncle Sam carries the mail—they are known as "mail" or "catalog" houses.

Believe it or not, the principal stock in trade of these enterprises is fooling the consumer. The consumers do not realize it, but fooling it is. Whoever thinks he can get something for nothing—or, as an individual, beat these chiselers at their own game—is kidding himself. This game is the selling of merchandise direct to the consumers at "wholesale" prices. As a sales executive I know that, as a regular thing, it cannot be done.

Because our product is branded, nationally advertised and price maintained, attempts are sometimes made by these chiselers to use it as "bait." The effect on the consumer is inevitable—if unchallenged. Our immediate contribution to established retailing is to do our utmost in policing our own product. We think we are doing a pretty good job, but we are only one of many who should be doing the same thing.

Often, when this subject of sapping the established retail trade comes up, some of my friends in similar positions begin to condemn the retailers. The retailers are undoubtedly guilty of offenses, but they are constantly under the pressure of Better Business Bureau admonition, newspaper advertising censorship, and consumer discipline, not to mention the internal correction which is being brought about by their own trade associations, such as the National Retail Furniture Association and its affiliated state and local groups.

However, it being our company's policy to pay attention pretty much to our own business, I'm more concerned with what the manufacturers are doing





to support or break down our system of retail distribution. I do not refer, of course, to those who maintain their own outlets; that is an entirely different matter.

A certain large manufacturing concern, operating on a national scale and employing a great many persons, buys for its own use a great many of our mattresses and couches. At first, as a matter of convenience, we permitted this manufacturer to send branch managers to make selections at our show floor. From this arose the temptation to buy direct from us, not only for its own use, but for the personal use of its employes. We detected the dan-ger, discussed the matter with the manufacturer's officials, and pointed out to them what the result would be if we (as we also are large employers) went to them to ask the same favor. They promptly withdrew the request and issued instructions to their purchasing agent to discontinue this practice.

Blame for the Distress

Unfortunately, not all manufacturers are like the one just mentioned. The blame not infrequently lies with their sales managers or purchasing agents, just as, in our case, the responsibility would have been mine had I given in to the natural desire to increase our sales by selling for personal use to this national user.

From my observation, both internal and external policies of certain large employers are to blame for much of the distress which the established retailers—and consequently consumers—find themselves in. Here they are:

Internal

Permitting their purchasing agents to buy merchandise (at company discounts) for their employes.

Encouraging the formation of so-called buying clubs among their employes. Permitting solicitation by representatives of self-styled "wholesalers" or "mail and catalog houses."

External

Selling their own products—even on a courtesy basis—to other companies for employes' personal use.

Indifference to cooperation with other trades and industries.

These practices are far more general than might be imagined and the excuse most commonly given is that "we must do things for our personnel." The next is "the mark-up on the other fellow's product is too high." In instances with which we are familiar, these are simply excuses and nothing more, for generally when the matter

is properly presented to the higher executives they are quick to see the danger. By and large, the soundest personnel policy is to treat your employes fairly, pay them as much as you can, and then let them live their own lives. The criticism by one employer of profits alleged to be made in another industry is likely to be a boomerang. No manufacturer is invulnerable in this respect.

In the home furnishings industry it is said that "bootleg" selling accounts for at least 15% of the total. If this is so, you may ask "Why don't you be realistic and take your share?" Well, it has proved to be a temptation, I am told, in some lines and peculiarly enough, in certain items that are branded and supposed to be pricemaintained. Our position is that, as a sales manager, I would be acting

contrary to my company's best interests were I to follow such a selling policy. I would be tearing down that which the founders built, that is, a system of distribution, and I would make our present management's efforts at fair price observance look ridiculous.

So far as our company is concerned, we will not knowingly sell our products to concerns for their employes or favored friends; we don't try to chisel discounts from our resources for the boss; we see to it that no self-styled "wholesaler" makes saps out of our help. And we stand squarely back of the retailer and his trade associations in the growing endeavor to educate the big employers as well as the consumer in general that you can't "get it wholesale" without the risk of personal delusion or serious damage to the sound business structure of the company.

"Say It With Flowers"—Only "It's" Advertising, Not Sentiment

Two New Yorkers with a refreshingly new promotion idea have turned it into a flourishing little business in no time at all. It's called "Flowers, Inc."

OR six months or longer stories have been going around about ladies, lunching at Sherry's or some other habitat of New York's elite, receiving surprise corsages, with a neat little advertising message inscribed on the attached card. With very little effort we've traced the source of this posey promotion down to a small fourth-floor shop called Flowers, Inc., in the middle of New York's wholesale flower district.

Flowers, Inc., is only ten months old, but to date it has promoted some of New York's "best" parfumeurs, furriers, department stores, liquor distributors, movie houses, etc., to the town's "best" people. Flowers, Inc., first came into the spotlight with its novel scheme of using flowers for direct selling last June when the Gaumont-British picture, "Three on a Week-end," starring Margaret Lockwood, opened at the Continental Theatre. The theatre thought it would be swell if it could interest the cream of New York society in the picture, so Flowers, Inc., came with a proposition.

Continental bought 3,000 gardenias and presented them to the patrons of several of the town's ultra restaurants with a card which read: "An invitation from lovely Margaret Lockwood to G-B's new hit, 'Three on a Weekend,' now at the Continental, Broad-

way and 52nd St. Gardenias by Flowers, Inc. Flowers by subscription. Budget Gardens." Everybody was pleased with the idea. The restaurants went for it; patrons loved the little extra attention; *Variety* called it a "sure seater" and the Continental felt the reaction at its box office.

A similar stunt was pulled for the opening of United Artists' picture, "Algiers," at the Radio City Music Hall, only this time the patrons of the leading night spots of the town were presented with a corsage of orchids to introduce them to the movie. Orchids were selected as characteristic of the exotic atmosphere of the picture. On this deal Flowers, Inc., sold 3,000 orchids.

From there on the idea spread. Jaeckel, Inc., Fifth Avenue furrier, complimented every woman at last season's opening of El Morocco, fashionable night club, with a double corsage of orchids.

B. Altman & Co., N. Y. department store, presented every woman at a fashion show at the Ritz with a bunch of violets bearing a lavender card printed in violet ink with the following message advertising its beauty salon: "Violets . . . to remind you that Altman and Charles of the Ritz can make a daguerreotype beauty of you, from the top of your shining head





More for your MONEY in the ROTO SECTIONS Due to rotogravure's flexibility, an advertiser can pick practically any territory or city he wishes and, at very little cost, run a rotogravure test campaign in it. In the last few years an increasing number of outstanding manufacturers have been following this procedure...and significantly, the results of their tests have led them to order schedules in rotogravure. The case, reported on the next page, illustrates the point.

HOTOGRAVURE Proved

ITS VALUE TO SHOE **ADVERTISERS**

The Red Cross Shae

EXECUTIVE OFFICES

August 31, 1938

Kimberly-Clark Corporation 8 South Michigan Ave. Chicago, Ill.

Three years ago The United States Shoe Corporation began adver-Three years ago The United States Shoe Corporation began advertising RED CROSS SHOES in a small way in just one rotogravure Section in one metropolitan city. The results, eminently satisfactory, have caused us to continue this campaign with large Gentlemen: space running every other week during the selling seasons in space running every other week during the seiling seasons in fifteen different rotogravure sections throughout the nation.

Last year we scheduled full page four-color advertisements in Last year we scheduled full page four-color advertisements in certain metropolitan newspapers. They have proven so successful certain metropolitan newspapers. They have proven so successful we have expanded these full page four-color advertisements into seven of the larger cities from coast to coast.

These results have been so outstanding I thought you would like to know this.

Respectfully 1997 REPORATION
THE UNITED STATES SHOP THE PORATION

Happiness About

Happiness About

In perfect-litting

RED CROSS SHOES

MICH MONT OM! 5 650

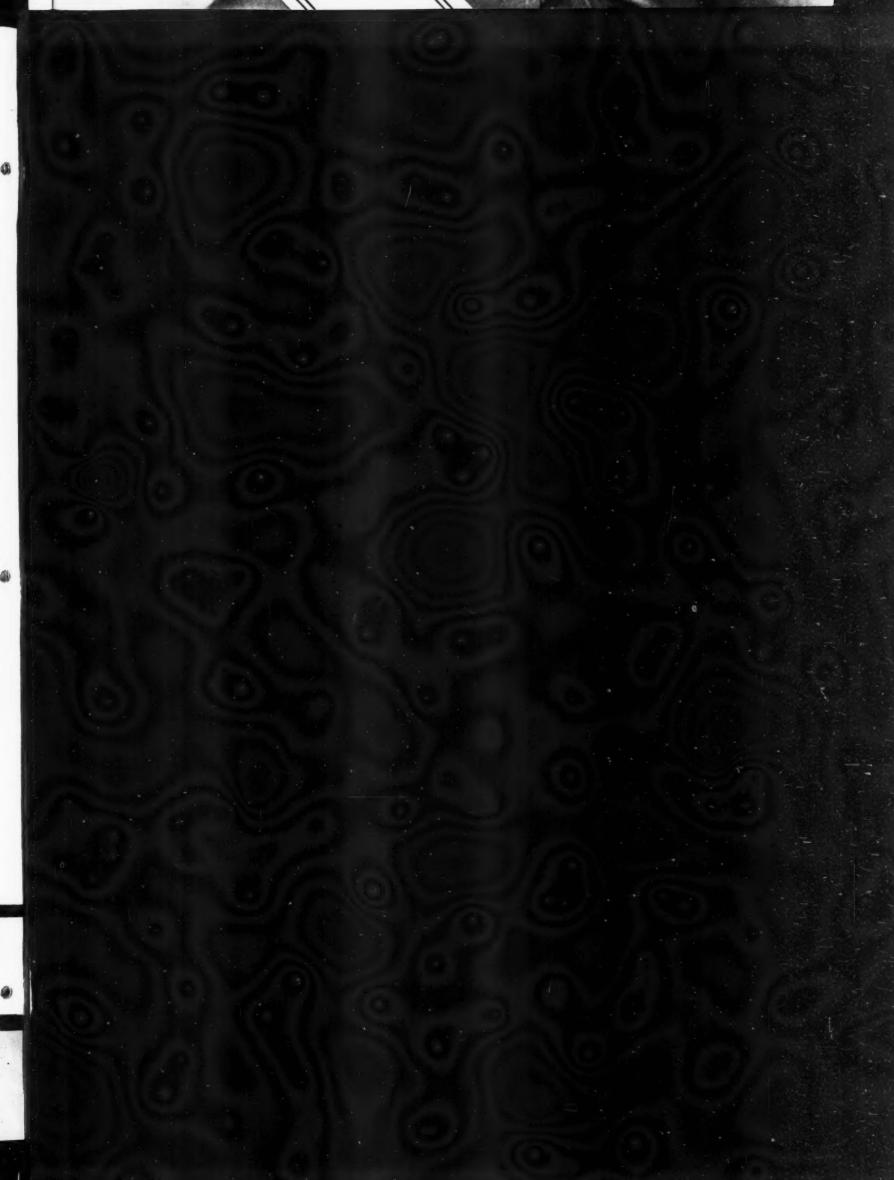
Swing along in these smart white Red Cross Shoes without a foot-care—with the free and eager step of youth. Superbly styled. Perfect fitting. Endorsed foot specialists everywhere. Now only \$6.50. The Red Cross Shoe Company, Cincinnati, Ohio



A typical Red Cross Shoe rotogravure ad is shown above

MC

Kimberly-Clark Corporation







Not only Ferdinand the Bull, but almost every woman, loves flowers. So Flowers, Inc., offers advertisers a new promotion idea: Dewy gardenias, orchids or other posys with a neat advertising message inscribed on the attached card.

to the soles of your well-shod feet. Bring this card in to our make-up bar on the third floor for a complimentary 'damask' make-up."

Charles Heidsieck Champagne, Schenley subsidiary, called on Flowers, Inc., to send each New York debutante a corsage on the night of her coming out party with the compliments of the company. That's been changed now, however, and corsages and boutonnieres go to each couple, in the higher social bracket, whose engagement is announced.

Christmas Sales Opportunities

Christmas gave Flowers, Inc., its best opportunity to date to work out its flower promotion ideas on a big scale. A month before the holidays, the shop announced that it had something new in Christmas greetings. "Send a sprig of fresh holly, bright with berries, or a bunch of real, gleaming mistletoe—instead of the usual Christmas card." People did. In all 8,000 such greetings went out from Flowers, Inc., 5,000 of those from business houses who had something to advertise.

Lentheric ordered 350 corsages of mistletoe, tied bottles of perfume on each and sent the packages to women on its press list all over the country. Two went to editors in Honolulu. Lelong, parfumeur, and Abraham & Straus, Brooklyn department store, distributed 1,000 holly corsages in Brooklyn restaurants, advertising the Lelong perfumes on sale in A & S's cosmetics department.

Jaeckel, who had sold one fur coat as a result of its El Morocco promotion, used the flowers again, this time sending 1,200 boutonnieres to Wall Street executives. To these was attached, not a card, but a gift bond to be filled out by the executive and redeemed by his lady for the specified amount of furs. Jaeckel sold another fur coat this way.

For Viking Press, publishers of Ferdinand, Flowers, Inc., worked out the most original scheme. Since Ferdinand the bull loves flowers so much,

he should give them to his friends for Christmas, reasoned Flowers, Inc., and Viking fell for it, sent 400 daffodils, one each, to book dealers in and around New York with this card: "Ferdinand and the Viking Press join in wishing you a very Merry Christmas and a New Year filled with flowers."

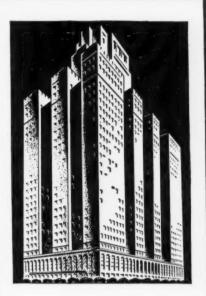
While such elaborate promotions as these do run into money, they aren't as costly as one would imagine. For Flowers, Inc., operates with practically no overhead, sells its flowers at a minimum. Located in the wholesale flower market, the shop finds it unnecessary to keep a large selection of flowers on hand. It orders them from the wholesaler as it receives orders from customers, thereby assuring its customers that their flowers will be fresh.

A Start from a Flaw

The shop was set up originally by Roy Sheldon and Donita Ferguson (Mr. and Mrs. Roy Sheldon), both ex-advertising and publicity people, who saw in the general method of flower merchandising a serious flaw which they thought they could overcome. That is, the 25% to 40% loss that florists must take who keep this most perishable product on the market in stock. The retail price of flowers must take up that loss. Also, when a customer buys flowers from the display in a shop, he can never be sure how fresh they are. So Flowers, Inc., was established to eliminate this gamble, both for the dealer and the customer. It keeps no flowers in stock; therefore has no loss through deterioration.

It started simply as a shop to furnish fresh flowers weekly on a subscription basis to homes throughout the city. It still does that to about 500 homes. The flower promotion idea for advertisers, however, isn't a sideline; it's the most profitable part of the business.

Flowers, Inc., has taken the first step towards realizing a hope which the Sheldons have had since they went into business last April—that of establishing similar shops in the flower market districts of large cities all over the country. In December, the Sheldons opened up in Boston.



"THE WORLD'S GREATEST HOTEL"

fronts the blue waters of Lake Michigan, on beautiful Michigan Boulevard. It is ideally accessible to Chicago's business district; and to that profusion of wonders—industrial, cultural, educational, and entertainment—for which Chicago is so justly famous. The service is planned with care and discrimination.

OTTO K. EITEL, Managing Director





E ACH WEEK, these four ladies lay down five nickels for four magazines-Life, Collier's, Liberty, and Saturday Evening

They represent the buyers-women and men-of weekly magazines ... but

... every advertising and publishing man knows that many more people read magazines than buy them ...

How many more?

Nobody has known with reasonable certainty. Yet recently developed research methods have made it possible and comparatively simple to find out. So . .

LIFE decided to launch LIFE's Contiming Study of Magazine Audiences. You probably saw the first findings of this Study. You probably were surprised at the size of the figures. (See col. 4.) You might even have raised a quizzical eyebrow. Yet ...

.. the whole thing makes sense! It was called the "Biggest Advertising News in 25 years"...and it is!

What makes it the Biggest Advertising News in 25 Years?

The Audit Bureau of Circulation was started 25 years ago to get exact information on circulation and how circulation was obtained. Such information has become, and will continue to be, of primary and indispensable value to advertisers.

- LIFE's Study applies the same standards

of impartiality, accuracy, and reliability to securing information on audience.

It takes advantage of the kind of research developed in the last several years-the new kind of research which now forecasts elections and weighs publie opinion with such uncanny accuracy.

Who does it?

The Study is conducted by Crossley, Inc. (of radio fame) - with direction and authentication by a committee of several of the leading research authorities of the country.

Other attempts to measure audience have, of course, been made. Some have used the convenient "average family" figure of 4.2. Some have set a higher figure, some a lower. And when surveys were attempted, they usually were too confined -they stuck to family-heads, or subscribers, or hand-picked economic groups.

This Study does not. It uses a true crosssection of all the people, a micro-America, a representative sample of the entire population from ten years of age up. The investigators work on both sides of the railroad track, reach backwoods as well as main roads, talk to a proper proportion of each major element of the population.

Guesswork Eliminated

The Study asks people to show that they have seen and remember getting into the magazine-and makes them demonstrate. It recognizes an inevitable percentage of confusion and falsehood, and climinates this percentage from the findings.

The committee under whose direction the Study is being conducted not only has no axe to grind, but has an enviable reputation to uphold.

And so-weighing all these factors-you can see that here is the first step toward accurate knowledge on magazine reader-

How to use It

It would be silly to claim that information about its audience is the ultimate measure of a magazine's value . . . that all other facts and figures should be thrown into the wastebasket.

But size of audience-the number of people who get their hands on a magazine, open it, and read part or all of it-is an added factor in a thorough and scientific evaluation of any magazine. And, while not final proof, it is an important clue to editorial interest and potency.

Thus, the findings of this Study definitely increase the knowledge of media

with Stive Nickels

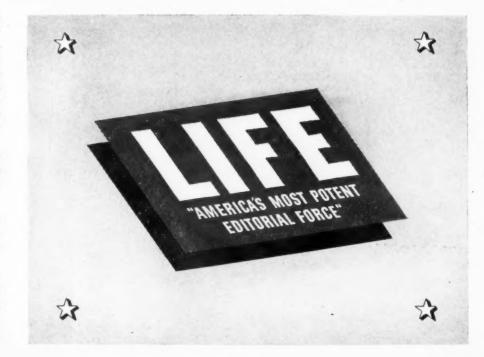
values...disclose hidden values in the entire weekly magazine field...suggest similar values in all magazines...and are, therefore, a definite contribution to the scientific and intelligent buying of space.

NOTE: The complete methodology of this Study, and its first findings, are available in "REPORT No. 1." If you haven't seen a copy, send for one—it's the most important advertising book of the year.

COMING: Findings on how much attention each audience pays to the contents of each magazine are now being accumulated, and will soon be available.

*Here is the number of people—as indicated by the Study—who see, open, and read some part of each issue of the four large weekly magazines:

		•	Paid
		Total Audience	Circulation
COLLIER'S		15,900,000	2,633,878
LIBERTY.		14,000,000	2,485,395
LIFE		17,300,000	2,029,761
SATEVEPO	TZ	12,900,000	3,055,123





Marketing Flashes

[Walgreen Drug Chain Helps the Church and Itself] Simultaneously—Pictures by Telegraph Step Ahead]

Canned Goods, All Kinds

There are now available in cans 215 different kinds of vittles, according to the Canned Pea Marketing Cooperative, Chicago.

Included are 46 varieties of vegetables; 41 of specialties, evaporated milk, molasses, plum puddings, and such; 37 sorts of canned soups; 33 different fruits; 27 varieties of fish and shellfish, caviar to oysters; 23 canned meats; plus 8 ready-to-eat entrees such as Hungarian goulash and Irish stew.

The pea industry alone operates 'more than 300 canning plants scattered over 18 states. Their labels and brand names number several thousand.

Open Up There!

Life gets easier for people who are "all thumbs." First the Norwegian Canners' Association packed sardines in aluminum, so they could be opened without the aid of prayer and a crowbar. Then, Wm. Schluderberg-T. J. Kurdle Co., Baltimore, offered its Esskay Zipp frankfurters. "Just pull the zipper and the skin is off in a flash."

Now, Brown & Williamson have a tape on Kool cigarettes that makes it a cinch to shuck off the cellophane wrapper. It's a long strip of green cellophane, similar to that on Wrigley's gum packages. Pull it, and the wrapper divides smoothly in half, practically falls off by itself.

If some genius would invent a selfchanging typewriter ribbon every inksmudged key-pounder could gloat, "My cup runneth over."

Magic Sand

Orange State Oil Co., Miami Cities Service dealer, is no back number at enticing tourists and customers to Florida's golden shores. "Drive in to any Cities Service station in Dade County" it advises readers of the Miami Daily News. "Ask for a sack of magic sand. Address the tags to friends up North and we will mail them for you without charge."

On the tags, attached to a bag of beach sand, a legend says, "Here's a secret that old Ponce de Leon knew which is now a well-known fact—once you get Florida sand in your shoes you're always sure to come back.

"Sprinkle small amount of sand in

each shoe, Shake well, then pour out all you can. The remaining sand which sticks will work the magic charm for you. When this charm has worked, go to your nearest Cities Service station, where you will obtain a map showing the best routes to your destination in Florida."

Scornful Californians may term this sandbagging, but Cities Service's home office is watching approvingly. Possibly the parent company will extend the idea to all Florida, adapt it to other states.

Church Stamps

New Orleans, long a hotbed of premium merchandising, is the proving ground for another form of sales stimulation—the "Church Stamp Plan" launched by a local unit of the Walgreen Co., drug chain.

Full-page newspaper headlines (followed by direct mailings to ministers) announced, "Walgreen to support churches" and explained that the company will contribute 2% of its sales to any church designated by the consumer, giving a church stamp similar to a postage stamp with each 10-cent purchase. The stamps are deposited with the church of the consumer's choice—any church, regardless Walgreen redeems the of creed. stamps in cash, and the cash may be used for any purpose the church de-"There are very special reasons for such a move just now. In other parts of the world the church is being attacked . . . here, in America, the pendulum seems to be swinging back toward the church.

"We believe . . . that by providing financial support for the churches, we are rendering the greatest service for the good of the greatest number of our citizens that any store or individual could render," copy explains.

"Finally," the announcement con-

"Finally," the announcement concluded, "we hope the benefit from this effort to support the church in New Orleans, will prove so reciprocal as to make it the beginning of a new force for spreading the church's influence for good throughout the country."

Walgreen and competing druggists who awaited the response to this new version of the one-time famous Goodwin Plan were not long in hearing from one potent force in New Orleans' ecclesiastical circles. Monsignor Peter M. Wynhoven, pastor of Our Lady of Lourdes Roman Catholic Church, and editor of Catholic Action of the South, expressed himself as follows:

"During the past week, we received, as pastor, two letters and a telegram calling our attention to the magnificent policy of a new local company that 2% of its sales would be donated to the support of churches, all faiths to benefit. The president of the concern 'believes the church the greatest American institution.'

". . . He is endeavoring to use the influence of the church to sell his particular brand of women's hose, candies, and what-not in his store recently established in New Orleans.

"Again, we may be wrong, but we believe that it would serve religion and the community better if we keep on patronizing our own people who have been established in New Orleans for decades of years, who call New Orleans their home, because they were born and reared here, and who love New Orleans better than any place in the world

"We may lose beneficial advertising by expressing this, our honest opinion, but we believe that in cases of outside concerns coming in to sell their wares on the plea of their deep and sincere interest in religion, it smacks of abuse of religion. The argument is a little too thick."

In operation at present only in New Orleans, where Walgreen recently opened an elaborate "super store" in the heart of the downtown shopping district—its first unit in the Crescent City—the plan will probably be introduced in other cities where the chain has stores if the initial effort weathers this Catholic opposition and becomes a pronounced success.

Pictures by Wire

Western Union Telegraph Co. held a demonstration last month of its improved picture transmission service. The system gives "a positive and permanent picture immediately ready for use."

An outgrowth of the development by WU engineers several years ago of a dry recording paper which records written matter by direct electrical action, the process uses a conducting paper as sensitive to electricity as photographic paper is to light. It "applies to picture transmission the advantages of the WU facsimile system in daily use since 1935 between N.Y. and Buffalo, and since 1936 between N.Y. and Chicago, for handling facsimile telegrams, signatures, line drawings and other such matter."

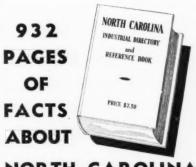
Advertisers, publications, and the police should be particularly interested in a method of wiring unblurred photographs for about the price of a telegram.

Back in 1920 two Englishmen, H. G. Bartholomew and Capt. M. D. McFarlane, sent the first pictures across the Atlantic via WU cables. Regular picture transmission over WU cables between N.Y. and London was established in 1925.

In 1924-25 WU and newspaper interests developed a facsimile system called Telepix for use between American cities. Slowness of service and (Continued on page 71)



Here's the device which Western Union is utilizing to transmit photographs from Chicago to New York. Pictures come from the receiving machine ready for use, with no finishing process necessary. They are remarkably clear, too, closely approaching an actual picture.



NORTH CAROLINA

Contains Names and Addresses of THIRTY-FIVE THOUSAND North Carolina firms. FOURTEEN MAJOR Classifications for State and Counties. ALPHABETICALLY BY Industries. Names of Firm President and Purchasing Agent.

State and County STATISTICAL DATA. Public Utilities. Banking Facilities. Mines. Municipal Waterworks.

FOUR LARGE MAPS. VELLUM BOUND Single Copy \$7.50

(No Advertisements)

Address:
Division of Commerce & Industry
N. C. DEPARTMENT OF CONSERVATION & DEVELOPMENT
Raleigh, N. C.



The first thing you require of salesmen is to call on the people who can buy your merchandise. So it should be with your advertising.

Geonomist

239 West 39th St., New York City
A CHILTON DPUBLICATION

"calls on" more people who buy, or who control buying, than any other business paper in the department store field.

30,000 CCA



Callaway Call

For 20 years clients and prospects of Callaway Associates, Boston, have been reading *The Call*. Published in various forms, it was first issued shortly after John P. Callaway started the business in

Mr. Callaway at that time believed that there were many non-advertisers or spasmodic advertisers who would use a dependable, permanent agency service. He checked a list of manufacturers, culling out names of these manufacturers, and to them sent his first Call—an emphatic call that produced inquiries.

This organ was published for many years as a 10-page monthly booklet approximately 5 x 7 inches, featuring its index on the front cover and carrying such general editorials as "Lodge Night," "Get your hobby before you need to ride," "I have always been curious about the Joneses" and "Trailer Aftermath"—subjects of general interest usually written by J. P. C., presumably Mr. Callaway. Mixed in were editorials discussing sales and advertising problems: "Are you afraid of advertising agents?" "No vacation for advertising," "How long should the advertising leg be?" "Advertising does a trained man's job" and "Why we do not make cold turkey solicitations."

In smaller space *The Call* featured Callaway work for clients—development of a child's organ for the Estey Organ Co., Brattleboro, Vt.; a new packaging job done by Nashua Gummed & Coated Paper Co., Nashua, N. H.; development of the Barre Guild composed of 100 monument manufacturers in the Vermont area furthering monument sales and guaranteeing purchasers a certificate of high quality; a flattened hose supporter developed for Geo. C. Moore Co., Westerly, R. I. There was an account of the illustrated booklet, "How to Sell Sash Cord," developed for Samson Cordage Co., Boston, with such success that a companion booklet, "How to Sell Clothesline," was produced to help dealer salesmen do an intelligent selling job.

For human interest, part of *The Call* "goes to the dogs," featuring the pet dogs of various members of the Callaway organization and clients: "Snubs," Mr. Callaway's pet; "Dignity," owned by *The Call's* associate editor: "Lo-Chan," pride of another member of the agency; "Tag," owned by K. H. Walther, sales manager of client Skinner Chuck Co.; and "Peter," owned by William P. Dewey, Jr., of the Samson Cordage Works. For a time, one pet dog was featured each month as the "Dog-of-the-Mooth"

Published as a pocket-sized monthly for several years, *The Call* was enlarged late in 1937 to 9 x 12-inch format affording larger page size for better reproduction of Callaway-created work. Said a *Call* edi-

tion with its enlargement, "These articles. anecdotes, diagrams and illustrations will take the lid off advertising and show what makes it tick and why. This series will, in a measure, amount to an executives' course—without benefit of tuition fee."

An article in this series was entitled, "Get Out an Ad," showing five steps supplemented by text on the development of a magazine advertisement for Holliston Mills, Inc., Norwood, Mass., manufacturers of photocloth. There was a dictionary-type description of certain words—bleed page, layout, proof, electro and similar advertising terminology; and another story explained in blue print technique the physical resources of the Callaway quarters with an explanation of its staff organization.

John P. Callaway . . . the call was emphatic.



The Call has been Callaway's only medium of business solicitation, all contacts having been the result of an invitation or inquiry, largely from this magazine. The Callaway theory is that too many advertising accounts are sold by high-pressure methods, whereas advertising above all things should be intelligently bought. The former method is largely responsible for advertising "gypsies" and "floaters," while the latter method builds a sound, joint relationship where advertising and sales go hand in hand on an intelligent budget basis.

It is a source of modest pride to Callaway that (according to an Editor and Publisher report), while 100 leading advertisers had changed agencies, some as many as four times in three and a half years, Callaway lost no accounts and gained five new ones. In 10 years only two accounts have withdrawn from this agency service, Two accounts which Mr. Callaway secured 20 years ago are still with him, and 13 accounts have been the agency's for 10 years or more. Nine of these clients are the largest in the United States in their respective fields, and 14 have the highest capital rating given in Bradstreet's.

Contributing to this record is Mr. Cal-

Contributing to this record is Mr. Callaway's concentration, not on advertising alone, but on sales. Clients tell this agency how much money is to be available and it is spent for dealer helps, exhibits, printed pieces, sales aids and advertising.

Callaway service extends all the way from scrubbing a display figure to development of entire sales programs.

From a small personnel, comprising Mr. Callaway and a helper, the agency has expanded until it now employs 11 persons directed by the founder and Morris Susman, vice-president, who is space buyer and production manager.

Callaway accounts include among others:
Nashua Gummed & Coated Paper Co.,
Walter H. Woods Co., Rogers Fibre Co.,
Nashua Package Sealing Co., Holliston
Mills, Inc., Nashua Sure-Hold Co., McCallen Co., F. J. Barnard Co., Samson Cordage
Works, Northern Industrial Chemical Co.,
Connecticut Adamant Plaster Co., George
C. Moore Co., Estey Organ Co., Skinner
Chuck Co., Iver Johnson's Arms & Cycle
Works.

Ayer Establishes Consumer Foundation

N. W. Ayer & Son, Inc., Philadelphia, has engaged Dr. Donald A. Laird, former head of the Rivercrest Laboratories at Colgate University and author of "What Makes People Buy," as head of its newly created Ayer Foundation for Consumer Analysis. The agency last week announced the establishment of the foundation as a memorial to its founder F. Wayland Ayer.

The Foundation will operate independently of the production departments of the agency, and its chief function will be to provide a "nucleus" for the study of consumer problems. It will be a laboratory for the study of ways and means of reaching the consumer more efficiently and economically. "Increasing the efficiency of our present methods of distribution would reduce the cost (of goods) to the ultimate consumer," said Ayer president, H. A. Batten, in explaining the objectives of the new organization, "and thus make for greater consumption, greater production volume, more jobs and higher wages all the way around."

At Colgate Dr. Laird maintained his own private laboratories for research on the human factors in economics, and out of this research have come "What Makes People Buy," a psychological study of buying habits, and numerous newspaper and magazine articles that treat of human reactions to conditions which arise in business. A member of the Writers' Guild of the Authors' League of America, he is also on the Committee of Award for Humanizing Business.

Agency Notes

Logan & Rouse, Inc., is the name of a new agency which opens offices in Los Angeles today. President of the new firm is Eugene F. Rouse, for the past ten years associated with Harper's Bazaar as manager of that publication's Detroit and Los Angeles offices. Other officers are: Executive vice-president, Dudley L. Logan, former partner in the now defunct Logan & Stebbins agency, who will serve as copy chief and head of the agency's retail and mail order account service; and vice-president, John M. Alden, formerly with Campbell-Ewald and one time sales promotion manager of the Carnation Milk Co., who will be in charge of food, cosmetic, drug and radio activities.

Announcement has been made of the merger of E. D. Parent & Co., Inc., Boston, with the advertising agency of John C. Dowd, Inc., same city . . . Abbott Kimball Co., Inc., New York, has been elected to membership in the American As-

sociation of Advertising Agencies
Needham, Louis & Brorby, Inc., Chicago,
has opened a Hollywood office for radio
production. Cecil Underwood, of the Chicago staff, has been transferred to the West
Coast to take care of activities there.

Grant & Wordsworth & Casmir, Inc., New York, have been appointed to membership in the First Advertising Agency Group, bringing the total of affiliate agencies in the group up to 26.

People

Morgan Reichner & Co., New York, has appointed Walter M. Moss, formerly associated with Blackett-Sample-Hummert, Inc., and Griffes-Bell Co., as research director of the agency, and Richard A. R. Pinkham, until recently with *Time*, as an assistant account executive.

Henry P. Clark, manager of the Latin-American offices of McCann-Erickson, and George H. Smith, of the New York office, have been elected vice-presidents of the organization . . . Howard D. Williams, vice-president and general manager of Erwin, Wasey & Co., New York, and Paul E. Newman, vice-president and art director, have been made members of the firm.

(Right) Howard Williams





(Left) Paul Newman

Richard A. Foley Advertising Agency, Philadelphia, has named Lawrence I. Everling second vice-president. Associated with the agency since 1919 as merchandising and radio expert and account executive, Mr. Everling has been active in the affairs of the Poor Richard Club of Philadelphia and the Atlantic Council of the American Association of Advertising Agencies.

Account Appointments

To: Hartman & Pettingell, Houbigant Inc. . . . Frank Best & Co., Ross Federal Research Corporation . . . William Esty & Co., Gooderham & Worts, Ltd., to handle the advertising of G & W Star blends . . . Benton & Bowles, Hudnut Sales Co., to direct the advertising of DuBarry, Marvelous, and Hudnut cosmetics . . . Buchanan & Co., B. F. Goodrich Co. to handle the account of the company's Seal-O-Matic inner tube

Matic inner tube.

To: J. Stirling Getchell, Illinois Meat
Co., packers of Broadcast brand canned
meat products . . . Lord & Thomas,
Lockheed Aircraft Corp. and Safeway
Stores, Inc., in the latter case to handle
advertising for Su-Purb granulated soap
. . . Alley & Richards, biscuit and cracker

division, Beech-Nut Packing Co.

To: Brooke, Smith & French, International Industries, Inc., manufacturers of Argus cameras and camera accessories...

Fitzgerald Advertising Agency, New Orleans, Wembly, Inc., New Orleans manufacturers of neckties... Donabue & Coe, Atlantic Co., to handle advertising of Atlantic beer and ale... Sherman K. Ellis, Pinaud, Inc., manufacturers of men's toiletries, and Burnham & Morrill, packers of B&M canned goods.



PICTURE OF BLASE SALESMAN WHO HAS JUST RECEIVED A "PUSH BOOK"

His old-time enthusiasm recaptured... Even hardened salesmen who have become bored with the usual type of sales stimulation get excited about this new kind of Prize Book.

In addition to illustrating nearly 800 of the World's Finest Prizes the "Push Book" *glorifies* selling...sells the salesman on himself...makes him want to exert extra effort, and do the things you ask him to do.

Users report the "Push Book" gets "at least THREE TIMES as much attention as any prize book previously used."

1939 BOOK 1939 BOOK is off the press! SEND FOR YOUR COPY TODAY!

ONLY DOUBLE-PURPOSE PRIZE BOOK

1. INSPIRATION — The only book in its field containing sales cartoons, editorial features, and selling articles by

DALE CARNEGIE BRUCE BARTON MERLE THORPE

in addition to . . .

2. PRIZES—800 of them! More nationally advertised merchandise than offered by any other prize supplier . . . nearly 200 items in FOUR COLORS . . . every item GUARANTEED.



64 PAGES . . . 32 DRAMATIC PAGES IN COLOR

BELNAP and THOMPSON, inc.

303 WEST JACKSON BLVD., CHICAGO NEW YORK OFFICE: 420 LEXINGTON AVE.

CREATORS AND PRODUCERS OF PUSH PLANS"

REARMAMENT

—you can get ready to scuttle your opponent with a thumping load of facts. You'll need the essential data on our woeful deficiencies in artillery, ammunition and planes, and the neglected condition of army equipment. The truth about tanks. The new Garand rifle and what it means. Plans for mobilizing industry—can bathtub factories make artillery shells, or wooden decoy duck makers turn out mili-

tary shoe lasts? Indispensable is a good grasp of the strategy of hemisphere defense, and some familiarity with the main schools of thought on what U. S. rearmament policy should be—as well as the political by-play of rearmament and its relation to the New Deal. You'll also need a few fat figures on what it's going to cost. It's all in FORTUNE's thoroughgoing examination of the whole grisly business, The High Cost of Peace. Fortune for February, Page 41.



OIL REFINING CATALYST IS OUT OF THE BAG

• Something very hush-hush has been going on behind the scenes in the petroleum industry. FORTUNE, by dogged snooping, managed to find out what it's all about and is now first to explain it to the lay world. It is the Houdry oil cracking process—and it's something. It may stand the whole oil industry on its head (they're already in a pretty excited state). It may pull down the price of high-test gasoline, push up its power and mileage. May even affect the design of your future car. The story breaks in Monsieur Houdry's Invention. Fortune for February. Page 36.

AMERICAN AIRLINES—Transportation Transformation

• Only a few years ago American Airlines was the also-ran of the transcontinentals. Routes a jumble, planes a collection of odds and ends, and losses appalling. Now A.A. is top dog of the airlines, with routes rationalized, a shining fleet of Douglasses, the heaviest traffic, no passenger fatality since January 1936 and—wonder of wonders—made 1938's only transcontinental airline profit. The man who made the metamorphosis is C. R. Smith. How he did it is a story of shirtsleeve organizing, operating and selling, told in AIRLINE IN THE BLACK. FORTUNE for February. Page 60.



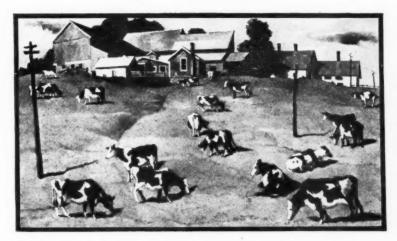
HOW TO SELL AUTOMOBILES

• Complicated, cockeyed, controversial and colossal are the words for the business of distributing automobiles. The sales set-up of General Motors is an intricate maze of big business and little business all mixed together. On top is Vice-President Dynamic Dick Grant. FORTUNE outlines his carefully constructed organization, his brilliant strategy in General Motors III. Fortune for February. Page 77.



Is this the packaged house, at last?

• From the trash piles of sugar mills, Celotex has risen, via humble plaster-hidden insulation, through cellar and attic wall-covering, until now it's all over the house. In fact Celotex is experimenting with a whole house. Might it turn out to be that mass produced house that will be "sold just like cars?" Read Celotex: Houses from Sugar Cane. Page 31.



So you're going to buy a farm

• Do you hanker after the healthy, carefree life of a farmer? Before it gets you, better read Vermont Farm. Here is an account of one fairly ordinary day's work of one fairly typical Vermont Farmer. It means getting up at 4:30 A.M. and keeping hard at it all day—all for no cash profit. But it's a good life—with a comfortable house, warm clothes, plenty of good food. If the idea of a 16-hour day mars your dreams of rural bliss, Paul Sample's delightful illustrations may revive it. Fortune for February. Page 48.

CAN BARTON GET THE G. O. P. NOMINATION?

• Or will it be Dewey, Hoover, La Guardia, Landon, Vandenberg—or who in 1940? The FORTUNE Survey reveals the current racing form for the Elephant Stakes. Page 68. FORTUNE for February.

LIBERALISM, AMERICAN STYLE: A PROGRAM

• FORTUNE provides a 10-plank platform, on which business and government might iron out their conflicts and start off together on an era of better understanding. FORTUNE for February. Page 54.

THE ADS ARE INTERESTING, TOO

Sparks from the advertisements in Fortune for February

Beauty is a big industry and figure work mounts up. —Monroe Calculator (A. & R.) "I 'spects I Growed."

-Clarke, Sinsabaugh (D. & Co.)

Cashew Nut from India. Looks like a comma, sounds like a sneeze.

-Awful Fresh MacFarlane (B. C. & G.)

So good they're often forgotten.
—Hyatt Roller Bearings (C.-E.)

On Sunday, Carnegie Hall holds ten million listeners.

—C. B. S. (C. B. S.)

lion listeners. —C. B. S. (C. B. S.)

Tempest in a Tunnel for Safety in the Sky.

—Goodrich (G.-E.)

Gentlemen . . . Bring me a dotted line . . .
—Dictaphone (McC.-E.)

The Sunny Side is down under.

-Canadian Australasian (K. & E.)

His bathtub gave him the tip-off.

—N. B. C. (L. & T.)

How fast can you say, "Make mine a lemonade!" —Lord & Thomas (L. & T.)





Based on an interview with

H. L. RICHESON

Vice-President in Charge of Sales, Pfeiffer Brewing Company, Detroit

H. L. Richeson, right, vicepresident in charge of sales, explains to a Pfeiffer distributor how sales control helps him to sell more beer, to know sources of weakness and strength almost instantly.

Why Pfeiffer Brewing Doubled Profits in a Dog-Fight Market

Accurate plotting of potentials, plus rigid sales control and inspirational work with distributors and salesmen brought this brewer a sensational increase in net against 86 rivals.

FEIFFER BREWING CO. had September quarter net profit of \$218,596, equal to 51 cents a share, against \$116,521, or 27 cents, in the September quarter last year, and for the first nine months \$440,801, or \$1.03 a share, against \$230,172, or 54 cents, in the like 1937 period."—Financial news item.

There are 438 beer wholesalers and 19,011 retail beer outlets in the State of Michigan. Supplying these outlets are 41 breweries in the state and 45 others that ship into the state, or a total of 86 breweries competing for the business. Nearly all of these producers sold less beer during 1938 than during the preceding year; some of them far less. And yet Pfeiffer's sales have soared sensationally, as indicated by the above earnings report.

As usual in such cases, there are several reasons. But probably the one big reason in this case is a simple, but thorough, sales control system.

In common with other breweries, Pfeiffer's business is of two kinds, city and state. In Detroit, Pfeiffer sells direct to about 5,000 retail dealers; out state they sell through about 40 distributors. The producer thus has actual experience as a distributor. This experience is passed on to other distributors in simple, workable form.

The basis of the sales control plan is a card system that provides a detailed record of each customer's purchases. This is kept constantly up to date and from it are prepared comparative daily, weekly and monthly summaries.

There are no bottle beer salesmen as such, but the drivers are all uniformed men of high type, many of whom have had college and even professional training. Each has a regular route and each is kept apprised of his progress. Posted in the drivers' room is a chart on which are listed route numbers, drivers' names, sales for the day, cumulative sales for the month, quotas for the month, and actual sales for the previous month.

The sales manager also has this record, of course, and if any customer doesn't make a purchase for a week, he, or an assistant, calls to make inquiries.

There are six draft beer salesmen in the city. Each has a regular list of customers and each has an itemized report of sales, similar to the above. The first thing each does in the morning is scan the sales report for the previous day. And if any customer failed to order, his salesman is on the 'phone wanting to know why.

But that isn't all. As one salesman explained: "We used to drop into a dealer's place. He would tell us he was selling a lot of our beer, and we would think that was fine. Now when one springs that on us, we are likely to say, 'Let's see!' and pull the record on him. He may not be selling as

much Pfeiffer's as either he or we thought he was selling. If he isn't getting his share of the business, we try to help him do so."

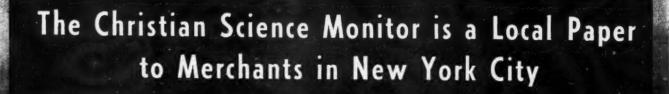
Major executives and officials have a detailed report of the previous day's sales by 9 a.m. each morning.

Operating such a system in a welltrained factory organization, and getting smaller distributors to do likewise are quite different problems. Hence it is that Pfeiffer's most effective work has been done outside of Detroit during the past two years.

"In selecting a distributor," H. L. Richeson, vice-president in charge of sales, explains, "we first analyze the territory, determine its potential, then have a frank talk with the prospect regarding his position. We know how many dealers there are in the territory, what the per capita consumption is, and how much Pfeiffer business is available. We go over this with him, pointing out the opportunities, then inquire into his affairs.

"We find out whether he has the necessary capital, warehouse facilities, trucks, personnel and willingness to work. We convince him of our product's merit and of our cooperation. Ability and enthusiasm are valued above capital and plant. Frequently we select a small distributor in preference to a big one, on this account.

"Having selected a distributor, we give him a frank, easy-to-understand talk on fundamentals. We tell him there's nothing to fancy salesmanship; we want him just to go in and ask 'em to buy, then to keep them buying by giving the best of service. We take care of the product, but he must give the service. We emphasize the value



THE CHRISTIAN SCIENCE MONITOR

Some men who place advertising wonder why merchants in New York—and Chicago, Miami, Los Angeles, and hundreds of other cities—should advertise in a daily newspaper published in Boston.

Here are the answers as given by two who do:
"We want to thank your organization for the
excellent results we have obtained from our advertising in The Christian Science Monitor. It produces
for us more customers per advertising dollar than
any other medium we have ever used," wrote one
New York advertiser.

Another New York retailer, nationally famous, wrote: "I want to tell you how highly we regard The Christian Science Monitor as an advertising medium. We can definitely trace an increase of patronage of our stores directly to the influence your paper has with its readers."

Unusual, these cases? On the contrary. We will gladly give any interested advertiser, retail or national, the remarkable facts about the Monitor's selling power.

Names of writers of letters quoted will be given on request.

Local Advertisers
of New York City use
The Christian Science
Monitor

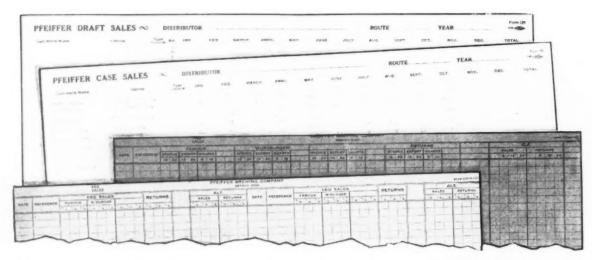
THE CHRISTIAN SCIENCE MONITOR

A Daily Newspaper for All the Family

Published by The Christian Science Publishing Society, Boston, Mass.

NEW YORK OFFICE: 500 Fifth Avenue

OTHER BRANCH OFFICES: Chicago, Detroit, Mismi, St. Lauis, Kansas City, San Francisco, Los Angeles, Seattle . . . London, Paris, Geneva



With these charts, Pfeiffer officers can tell exactly what sales were on each route by each man every day. They also show cumulative sales for the month, quotas for the month, and actual sales. If a dealer's orders drop off, the company is right on the job with suggestions, ways and means to bring them up again. Frequently a dealer does not realize that he isn't getting all he should from his territory. Because the company is fully aware of his competition and the area's potentialities, it can share its up-to-date information intelligently.

of advertising and propose that his trucks be painted in Pfeiffer colors and the Pfeiffer type of lettering along with trade-mark, etc. There are over 500 Pfeiffer-painted trucks in the territory serviced by the company's distributors. We stress the value of neatness and appearance and suggest that he clothe his drivers in Pfeiffer uniforms, see that they are clean-shaven, shoes shined, and so on.

"We give him a complete list of all licensed dealers in the territory. We tell him how much beer they sell and how much Pfeiffer's they should sell.

"Last year we assigned quotas for all distributors and they laughed at us. They exceeded their quotas. We raised them this year, and they didn't laugh. They know they can get the business.

"We urge all distributors to use a sales control system similar to ours. We insist on a monthly report of sales by dealers. One may complain that this is too much work; that it would cost him \$100 a month to maintain such a system, but it really involves comparatively little work. All who have introduced it agree that it is the best thing they've ever done. They are shown that if they lose three customers who buy ten cases a month, they will have lost more than the cost of maintaining such a system.

"We get those monthly reports. We know how much each customer buys each month. If any dealer doesn't buy at all, we want to know why. The form used provides spaces for entering sales each month for one year, hence we have comparative sales by months.

"But having a plan and working a plan are two different matters. Perhaps a stenographer makes up that monthly report and the distributor doesn't even study it himself. So when we call him up and tell him he lost three customers who had been taking 50 cases a month, he is shocked. He wants to know who and we tell him. He didn't even know he had lost them.

"Or perhaps a distributor isn't getting the volume we know he should have. We drop in and talk things over in friendly manner. Sometimes a little quiet investigation has already revealed that he himself gets down to work about 11 in the morning, hence his trucks start out shortly before, whereas they should leave by six or eight. He didn't know that. Cus-

Properties 1938

PROFIT PIE

P

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Quotas that are reached bring toothsome slices of pie to the Detroit firm's beer distributors, as the chart above illustrates. Although such quotas were a source of mirth at first, distributors now appreciate that they are attainable, and are a source of welcome cash. tomers must be given service; they must feel they can depend upon deliveries in ample time and at the same time at regular intervals.

"Possibly we draw a little sketch of a trading area, tell him how much beer is being sold there, tell him what percentage of this business he is getting, and ask him whether he wants his share. Then can he get it? We pet, cajole, shame him—use all manner of tactics to wake him up.

"We may suggest that he hire a sales manager. And we probably wind up by assuring him that we think he can get the business, but of course if he can't, we will send some men in to do the job for him. That probably arouses his spirit and he insists that he can do the job—and he likely will do it.

"The sales control system makes all this possible. We aren't guessing or surmising when we make statements. All is based on statistical information and data. We know the potential and we know exactly what share of the business we are getting, where it comes from, and from where more should come. If we lose a little customer at some cross-roads, we know that very soon afterward. Soon after that, we know why.

"On receipt of the monthly reports, we write each distributor a letter, giving him his 'batting average' for the month. Or in extreme cases, we call him by long distance and discuss the matter with him.

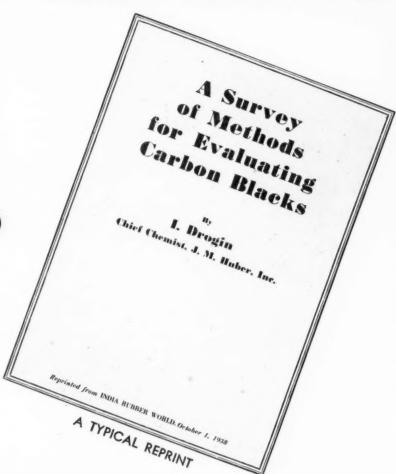
"We furnish a high quality product, in convenient packages, and support it with adequate advertising. But the product has to be sold, and our sales control system is an invaluable aid in selling it."

39,900 REPRINTS

OF ARTICLES IN

INDIA RUBBER WORLD

WERE ORDERED AND PAID FOR BY READERS WITHIN THE PAST EIGHTEEN MONTHS



THE REASON

Articles appearing in INDIA RUBBER WORLD are recognized by the members of the rubber industry throughout the world as authoritative—written by men who know. The publication is the only one in its field edited by graduate engineers with long practical experience in rubber manufacturing. Its editorial prestige has been maintained through 50 years of service to this one industry.

READER INTEREST BRINGS ADVERTISING RESULTS

That is why INDIA RUBBER WORLD carries well over 100 per cent *more* display advertising than any publication in the field.

WRITE FOR MARKET AND CIRCULATION DATA AND RATES

INDIA RUBBER WORLD

420 LEXINGTON AVE.

ESTABLISHED 1889

NEW YORK



Things have come to a *pretty* pass when the staid old *Satevepost* prints a nude on its front cover! But don't bother to raise your lorgnette, Lady; the nude was little 1939, sitting on a cushion and looking bored already.

Speaking of publications, it is high time this department paid its respects to *Newsweek*. The news in this digest is written so tight that, if you tried to cut it, it would *bleed*. It's the news of the world in quick-lunch format, brief and breezy, and thoroughly predigested.

While the dalecarnegian mood is upon me, I want to pay a sincere compliment to another painter-with-words, Edwin C. Hill, the commentator.

The world could do with more advertising like that of Carter's Little Liver Pills, which shows you graphically how you feel the morning after taking them. Booting a policeman in the seat of the pants, for example.

One of my pleasant memories of the Christmas season is Frances Langford, the blues-singer, singing Adeste Fideles in a rich contralto.

The super-markets are doubtless a headache for the little neighborhood grocer, but they are a joy to shop in. Plenty of room to ankle around; visibility of the goods on sale; and no waiting to be served.

Stopper by the Gramophone Shop on a little ad in the Mercury: "To the opera in pajamas!"

"Advertising! Wanted — Young Woman with Copy Experience (but more ummph than experience!) Apply between 2:30 and 3 P.M. Mr. Cassidy, Charles David, 1008 Chestnut St." What do you make of this, Watson?

Clifton Fadiman pronounces it "quin-TOOP-lets." Tch, tch!

In selling, in advertising, in politics, and in the whole mechanism of living, nothing is more important than a sense of timing. Of which, I might add, the trapeze-performer is a past master.

Nature has a queer sense of humor. Have you ever noticed that people who are financially well fixed die in their fifties and sixties, while those dependent on handouts live on and on, in spite of incurable ailments?

What every radio-fan knows: Just when you get addicted to a swell sustaining program, and tell all your friends to listen to it, along comes a sponsor to take it over and load it with the usual blah about his product.

NIT—"Do you like badminton?" WIT—"I don't even like goodminton."

Be prominent and you may win an UNpopularity contest in *The American Mercury*.

Hal Cook has resigned as s. m. for Ross Federal Research to become s. m. for the National Memorial Park, in Washington. Obviously, he will need a ghost-writer.

Which reminds me of the name Y&R's Sid Ward offered, to replace that of Cypress Hills Abbey some years ago: "Bide-A-Wee."

What ever happened to my slogan for Teacher's Scotch?—"Learn about Scotch from Teacher's."

* * *

Rumor hath it that the Sherman K. Ellis agency is relinquishing the G & W whisky account. Wonder whom it will Go With?

Who remembers the mimeographed promotional bulletin used some years ago by Cosmopolitan magazine? It was called "The Better Way" and was the finest example of good writing these eyes ever hope to see.

* * *
Nice headline by Buick: "It's love at first flight!"

It might have been a stick of dynamite or a sash-weight; but the *Times-Picayune* label on the mailing-tube told me it was safe. "It" turned out to be a stick of sugar-cane, wrapped in a poster headed: "Sugar sweetens the New Orleans market."

Title for a book of parodies: "Foolish Versions."

No, Myrtle; I don't think "Encores Aweigh" is so hot as a headline.

When writing in dialect, copywriters always spell it "shure." That's so you will be shure to pronounce it "sure."

Heinz "aristocrat" tomatoes, usually in quotes, are "sun-scarleted." Woowoo!

Madeline Buckley picks this department up on the pronunciation of "bureaucracy," pointing out that the later issues of Webster give it two ways. Which is true, but it still seems like a concession to sloppy usage.

And Dan Daniels gives us a nice plug in *Vicks Family News*, quoting a full paragraph with the by-line. Brickbats and bouquets, as they say.

Bob Barr says the Washington merry-go-round has now been joined by a Frankfurter concession. It's a name that columnists welcome.

* * *

The Trylon and the Perisphere
Were fighting for the crown,
When Grover looked them over,
And made them both pipe down.

"Wagner Act Amendment Is Congress' Biggest Job," says L. C. Morrow editorially in *Factory*. This is the Congress, if ever, to do it.

* * *

Overset: "Merriment is a mood, distilled from pleasant surroundings . . . genial friendships, good food, and the spirit of hospitality that stems from warm hearts." If you can use it, help yourself.

Quite Quotable: "Now Stage is a very fine sieve. It sorts out a group of Amiable Spendthrifts who are interested in fun and smartness and luxury! Granted, that 'come the Revolution,' the commissar will, no doubt, stand this group against the nearest wall. (They'll still be first!) Meanwhile, these Merry Madcaps like, want, and buy great big cars, and dogs, and fine furs, and old silver, and Stage."

Now that Tom Mooney is out, he may long for the peace of San Quentin.

* * *
No, Emily; I wouldn't exactly say a soup salesman is a kettle drummer.

T. HARRY THOMPSON.

SALES MANAGEMENT



FEBRUARY 1, 1939

Lewis Carroll's

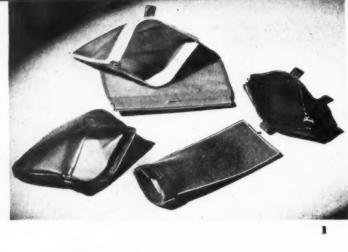
"Hunting of the Snark"

CURPURATION

XECUTIVE OFFICES: 18 EAST 48TH STREET, NEW YORK CITY

Professional Representatives, all bonded, 3700 of them from coast to coast

[57]



Designing to Sell



- 1. Fa-Cile: Concave steel blades attached to hinges at both ends form the Fa-Cile fastener, the "perfect closure," say the makers, Fa-Cile Corp., N. Y. The hinge will lock in any predetermined position, and stay open. On the market only a short time, its sales are already in six figures. Koret and Bienen-Davis are using it on their handbags, selling from \$7.50 to \$59. Manufacturers of tobacco pouches, brief cases, and dozens of other products have also obtained licenses to use it.
- 2. Compressor: Quincy Compressor Co., Quincy, Ill., introduces "the first automatic air compressor designed for garage and service station." Color is green; floor space of 25" x 25" saves "45% over compressors of the same capacity with horizontal tanks."
- 3. External Use Only: Bath Liqueur, product of Jurelle, comes in what appears to be a brandy bottle, but "a tablespoonful in the tub makes a delightfully refreshing, perfumed, soft water bath." It is shipped in a wooden box. Label is dubonnet, gold and green.
- 4. New Carton: Robert Gair Co. has designed a new package for American Stores, Inc., in which to market their Anseo tea balls. Carton holds 15 individual tea balls, is printed in black and red.
- 5. Cooking by Color: General Electric Co.'s specialty appliance division, Cleveland, employs color as a control factor for its 1939 line of electric ranges. Each surface unit switch on the range has a light above it which shows red, yellow, purple, etc., for the five degrees of heat. The "Tela-cook" is but one of numerous improvements.
- 6. No More Gay 90's: Jackson Brewing Co., New Orleans, commissioned Martin Ullman, Manhattan designer, to modernize the labels of its Jax beer, eliminating the haphazard, cluttered appearance—a relic of the firm's early days. Old label is above, new below. Crowns on the bottles are changed according to season or to convey a particular sales message.
- 7. Revised: Eastern States Carton Division of Robert Gair Co., New York, makes the first new carton for "Fore!", after-shaving lotion of Ar. Winarick, N. Y. The green, white and black design employs forceful lettering.
- 8. Tie-Up: Shefford Cheese Co., Inc., Green Bay, Wis., vacuum packs its line of cheese spreads in the nationally advertised Libbey "Safedge" glasses. Decorations on the containers are in six colors.





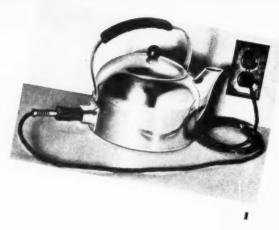




Now...the cow...and how!













Designing to Sell

1. Almost Human: When the water in Electromaster, Inc.'s new electric tea kettle boils down too low for safety, the connection plug pops out automatically and can't be replaced until the kettle has cooled off. It boasts aluminum finish, molded plastic handle, four-quart capacity. The Detroit company claims it's "the only kettle of its kind in America."

2. Chinex: Combining "the beauty of china with the strength of glass," Corning Glass Works' newest product is called "Chinex." (The company makes "Pyrex" ovenware, hence the name.) It will not "craze," as china does, washes as easily as glass. Cups, saucers and other dinnerware come in ivory color.

3. Creaseless: Westinghouse's latest model home ironer features creaseless ironing, the "tailor touch of hand ironing," foot pedal control of speed. It closes up into a small, good-looking cabinet.

4. Five Star: Baldwin Laboratories, Inc., Seagertown, Pa., presents a combination shipping case and counter display for its Dwin line, comprising Dwinax, self-polishing floor wax: Dwin, furniture polish; Dwindo, window cleaner; Dwin mop treat; and Dwin Mar Off, for covering blemishes on furniture. "As far as we know this is the first time that anyone in this field has produced such a display," says Russell Adams, art director of the Yount Co., Erie, Pa., agency, who designed both the display and individual packages.

5. Coffee Merchant: Enterprise Mfg. Co. makes and Toledo Scale Co. distributes this coffee grinder which "besides being vastly improved mechanically," has been designed to equip the retailer with a selling aid. Exterior is of white porcelain, top and bottom borders are black. The side facing customers has a glass area with a flasher light that winks the question, "Which grind?" An indicator on the regulating device shows whether the grind is for percolator, drip or filter pot.

6. Shubs: Just the size of a cigar are these cellophane-wrapped packs of smoking tobacco. They may be carried in a vest pocket. Each "Shub" contains an average day's supply of smoking mixture. Product of Shubs Tobacco Co., New Haven, Conn.

7. Silver Jubilee: Kelvinator, Detroit, celebrates its 25th anniversary of electrical refrigeration with 12 new models. Chief talking point is the "Polarsphere" mechanical unit, hermetically sealed because "it will need no attention for many, many years," so light a housewife can easily hold it, yet "so powerful one unit could furnish enough cold to refrigerate five Kelvinator cabinets." This and other advantages will be extensively publicized.





"passed the 100,000 mark in computations for the tenth annual Survey of Buying Power"

STATE-COUNTY-CITY SALES AND INCOMES PUT THROUGH MACHINES FOR S. M. SURVEY

L AST week machine operators in the New York offices of the Recording and Statistical Corporation passed the 100,000 mark in computations for the tenth annual Survey of Buying Power, to be published by SALES MANAGE-MENT April 10.

Months of work by SALES MANAGEMENT's statistical staff, directed by Ray B. Prescott, preceded the machine computation of income, sales and population figures for the nation's sections, states, more than 3000 counties and 1200 cities.

Months of patient digging for facts—of trips to Washington, Philadelphia, Chicago and other cities where exclusive information could be secured—of correlating statistical data—of refining, checking, proving material gathered by the staff from leading governmental and private research organizations: from these raw materials came basic figures and formulae which are being translated into final form by expert operators.

Each year's Survey of Buying Power shows further progress in the amount of useful data, in accuracy, and in the number of exclusive features.

Cloth-bound, board-cover copies will be available on advance order only, at \$2.00 each. We have viewed some of the dog-eared, frayed copies of the 1938 edition with the same mixed emotions as Henry Ford probably has when he comes across a 1927 model on the streets. He's proud that it stands up after so much use, sorry that his name is associated with something that looks so disreputable.

These durable goldstamped copies will be a credit both to the buyer and the publishers of SALES MANAGEMENT. Reservations now, please. Pay \$2.00 after delivery. Every important feature of the 1938 Survey has been retained. Many new ones are being added, of which three "standouts" are:

- 1. Every county in the nation is assigned to one of 192 city retail trading zones, and sales and income data will be shown not only for counties and municipal city areas, as before, but will be accumulated and combined by trading areas.
- 2. Effective Buying Income will be shown, as always, in total dollars and per family; this year, through a formula devised by S. M. it will be given separately for white families. They have the largest incomes, and, speaking broadly, are the only ones reachable through advertising.
- A Canadian section in response to a demand from American sales executives who are pushing for sales in our prosperous neighbor nation.

Sales Management

420 Lexington Avenue New York, N. Y.

Increases Price, Lifts Quality, and Doubles Candy Volume

To get completely out of the class of "just another candy" in the highly competitive lower price range, Pangburn made a drastic change in price policy and sales approach which resulted in a remarkable jump in volume.

NSTEAD of lowering the price of its packaged candy, when the national trend was drastically downward, Pangburn Co., Fort Worth, materially increased the price.

Volume doubled. Today, Pangburn's are said to be the highest-priced packaged candies sold in this country on a national scale.

Since 1929, packaged candy sales have slipped because of depressions and the competition of five-cent candy bars. However, last year Pangburn sales were more than twice those of 29. The company has been established over 25 years.

The reason for the price increase (and the material increase in volume that resulted) is logical enough, as explained by I. C. Parker, sales manager. With the price of our packaged candy at approximately the same scale as competitors', there was nothing to distinguish it in the minds of the trade or the public from other well-known candies," he explained.

Company officers took a bold step. They decided that one way to bring their brand out of the group-to make it distinctive and different-was to charge more for it, to make it the highest-priced packaged candy on the national market.

Yet they knew that price alone could not do the job, that the public would not long continue to buy a candy that was merely priced higher than other good candies, unless there was something additional to justify the additional price.

Hence the company revised its manufacturing procedure to improve the quality to justify the increase in price. It began hand-dipping all chocolatecovered candies; it devoted still more attention to the quality of nuts, fruits and other component ingredients that go into packaged candies. It revised its production schedule to insure still more freshness in all its packaged goods. Today the factory purposely operates so that there is never more than four days' production in stock at

"With the quality of the candy made the best we knew how," Mr. Parker says, "we then went to the trade to show why our candies should sell for more than others. After dealers

were convinced of the soundness of the price, they helped us to sell the public."

Along with the improvement of quality and flavor of the product and the increase in price, the company also revised somewhat its distribution plan. It sells direct to the retailer; and in smaller towns (up to about 10,000 population) it sells on an exclusive dealership contract.

"In smaller cities and towns," Mr. Parker explains, "we want only one dealer; but we want the best one. A salesman goes into a new town and makes a close survey of the candy outlets. He decides by observation and talks with local people what dealer has the reputation for handling the best merchandise and has the best standing in his community. The salesman then call on that retailer. He presents our exclusive proposition. If he cannot sell the dealer, he leaves town. We will not deal with the second-best in any community. We sell the best, or we do not go into the town at all.

We simply keep the name of the dealer we want on record, and we keep after him until we do sell him-or the situation changes and he no longer is considered the leading merchant in his

line."

This policy, the company finds, lends prestige and value to a dealership. As a consequence, when a dealer does sign a contract, he takes considerable pride in the candy line.

The firm sells extensively through sampling, both to the dealer and to the public. The salesman calling on a prospective dealer for the first time opens a sample box of candy and urges the dealer to taste several different kinds and flavors of the candy before he goes into his sales talk. If any customers of the dealer are around, he passes the samples to the customers and elicits their comments.

After a dealer signs a contract, he is supplied liberally with miniature bags, containing a variety of the company's flavors. He is asked to pass these out to those customers who, he believes, are willing to pay more than the average price for high quality

The company's point-of-purchase advertising is designed to create an impression of high quality; and all packages were redesigned at the time the new policy went into effect. The company carries only one package that was in use in 1929. The package must create the finest quality idea, Mr. Parker emphasizes, and actually the appearance of the package has much to do with the consumer's impression of the quality of the candy itself.

CAPPEL, MacDONALD & CO.

Creators of contests to increase sales with

Company Salesmen Dealer Salesmen Jobber Salesmen Non-Selling Employes Retail Salespeople

Announce the addition of John M. Kumler to their Chicago staff and removal of the office to suite 636 Wrigley Building, 410 North Michi-

also the opening of two new offices:

Hanna Building Euclid & 14th Street Cleveland, Ohio

Missouri Theatre Bldg. 634 North Grand Avenue St. Louis, Missouri

other offices:

Detroit 7-219 General Motors Bldg.

New York 420 Lexington Ave., Graybar Bldg.

1302 Liberty Bank Bldg.

Los Angeles 2603 West Seventh Street

Representatives in all principal

Cappel, Mac Donald & Co.

Cappel Building — Dayton, Ohio (main office)

Pioneers 20 years ago in the creation of Merchandise Prize Contests, cooperating to-day with a group of sales-minded clients which reads like a "Who's Who" of American Industry. No sales force too small or too large to effectively use a Cappel-MacDonald sales campaign . . . a card or letter will bring you interesting, detailed information.

Sales Problems of the "Feeder" Air Lines

(Continued from page 34)

have, and with a great deal of frequency, a traffic force potentially larger than that of any one of the large trunk lines. Explanation of the paradox lies in the fact that it is to the advantage of the larger lines to sell tickets to destinations beyond their own points of direct service. Such a sale brings business to the feeder at no sales expense.

At times it may be that two or three trunk lines, each making connections with the feeder, will vie to sell the connecting transportation. This, in effect, makes the solicitation force of the feeder twice or three times as large as any one of the trunk lines. The same is true of display and direct advertising, and promotion and publicity. Trunk lines through these media have built up substantial traffic to off-line points via the feeder route's connecting service.

Efficiency, Not Frills

One of the unique advantages possessed by the feeder system is its almost complete indifference to the so-called "gingerbread" in aviation equipment. The smaller lines are satisfied with equipment which is completely airworthy, comfortable and economical in operation. They do not believe in a quick turn-over of equipment in order to gain a few extra miles of speed or luxury. Obsolescence is not as impor-tant a factor as it is in the operation of the transcontinentals.

The large routes have from time to time engaged in fierce competitive struggles for equipment supremacy. The feeders by avoiding such competition have missed the severe blows of large charges for obsolescence which, in more than one case, have produced net deficits for the large airlines. Add to this the fact that the feeder lines generally operate smaller planes with smaller seating capacity and lower operating costs, and it is seen that a higher rate of seat occupancy per plane is encouraged, plus a lower seat mile operating cost. These two factors combine to produce a greater net revenue per dollar of passenger revenue received.

One other point exists in favor of the feeder which, however, is not peculiar only to aviation. That is the well-known fact that closer team-work and, therefore, more economical operation, is the perennial prerequisite of any small enterprise.

ADD TO **FAMOUS** COUPLES



MICHIGAN (OUTSIDE OF DETROIT)

AND BOOTH NEWSPAPERS
Damon and Pyunas were not a bit more inseparable than Michigan
(outside of Detroit) and Booth Newspapers. In few, if any other sections of the United States, is it possible to cover so large and profitable a market so efficiently with newspapers as it is the eight important Michigan cities served by Booth Newspapers. One paper in each market does the job. Ask I. A. Klein, 50 E. 42nd Street, New York, or John E. Lutz, 435 N. Michigan Avenue, Chicago.

Michigan's a MUST Again!

BOOTH Michigan NEWSPAPERS

Grand Rapids Press Flint Journal

Saginaw News

Bay City Times Jackson Citizen Patriot Muskegon Chronicle Kalamazoo Gazette **Ann Arbor News**

GETTING THE PLUS VALUE

Or Not" by Robert L. Ripley, and such leading artists as Maxfield Parrish, Rolf Armstrong, Earl Moran, Norman Rock-well, Andrew Loomis, Frederic Stanley, and Jules Erbit.

and Jules Erbit.

The Brown & Bigelow representative who calls on you has back of him the combined Remembrance Advertising experience of our 150,000 customers, many of them in your own line of business and with similar problems. Here is a vast clearing house of advertising and promotion ideas that can be of value to you.

Ask us to have our representative show you how other firms in your line of business are effectively using Calendar Advertising.

Right now, in January and February, a large percentage of Brown & Bigelow's 150,000 customers are making their Calendar advertising reservations for 1940.

Calendar advertising reservations of 1940.

THEY ARE DOING IT BECAUSE IT HELPS THEM GET THE PLUS VALUE FROM THEIR ADVERTISING DOLLAR.

Some of these Calendar advertising investments are \$50, some \$500, others \$5,000 and more. Regardless of size, they have one thing in common—EACH TAPS A QUARTER-MILLION DOLLAR RESERVOIR OF ADVERTISING ART, SKILL AND EXPERIENCE. That is the amount we have invested in our 1940 line to bring you such outstanding and exclusive advertising features as the Dionne Quintuplets Calendar, the Official Boy Scout Calendar, "Believe it

YOUR ADVERTISING DOLLAR



BIGELOW BROWN &

Remembrance Advertising

MAIN OFFICE AND PLANT SAINT PAUL, MINNESOTA Sales offices in New York, Chicago, Boston, Philadelphid, Cincinnati, Detroit, Los Angeles, Kansas City, Buffalo, Atlanta, Indianapolis, St. Louis, Dallas, San Francisco, New Orleans, Pittsburgh, Seattle, Cleveland, Milwaukee, Denver.



Last Quarter Uptrend Cuts 1938 Advertising Loss

Although advertising in 1938 in two out of the three major media groups showed a loss from the level of 1937, there was a decided upward trend in advertising during the last three months of 1938, with December climbing nearer to the level of the

same month in 1937.

While newspaper linage for the year dipped 13.1% below 1937's total, news-paper advertising for December, 1938, rose to within 3.4% of the December, 1937, level, Media Records reports. Total advertising linage figures for the year and for December are:

Year 1,409,666,418 Year 1,225,165,889 Dec. 118,095,619 Dec. 122,295,404

Dollar volume of magazine advertising, during the entire year fell 12%, according to Publishers' Information Bureau. December, 1938's total dollar volume was 11% below the level of the same month the previous year. The magazines leading in linage for 1938 and 1937 are listed in the accompanying box with their linage and page totals.

The three major network groups reported network radio up 3% in 1938 over 1937 (see Media, Jan. 15) but December gained only 1.2% from the year before.

Network radio's top ten advertisers durretwork radio's top ten advertisers during 1938—by industries—were, in order: Foods and food beverages, \$21,784,263; drugs and toilet goods, \$19,413,860; cigars, cigarettes, tobacco, \$8,780,469; laundry soaps and housekeepers' supplies, \$7,624,188; automotive, \$3,904,468; lubricants and fuel, \$2,023,909; confectioners, beverages fuel, \$3,032,898; confectionery, beverages, \$2,016,181; radios and musical, \$1,193,580; house furniture and furnishings, \$743,407; stationery and publishers, \$470,671.

With foods and food beverages and drugs and toilet goods ranking first and second, respectively, among advertiser classifications on both the CBS and NBC networks, together they accounted for nearly half of the CBS total billing of \$27,345,397, and about two-thirds of NBC's total billing of \$41,462,679.

National outdoor advertising last year, according to Outdoor Advertising, Inc., was 6.5% below 1937

Executives of the Barron Collier organization reported that transportation advertising increased almost 7% during 1938 over 1937.



This drawing appears in "How Long Is a Rubber Band?" Mutual Broadcasting System's latest promotion piece dramatizing Mutual's theory that since budgets aren't built to fit network broadcasting, network broadcasting can be built to fit budgets. The "Toe-testing" method em-ployed by Mutual's new-to-the-air clients enables them to limit their first trial of radio advertising to the use of two or three stations, and then, if they "find the water fine," they may plunge into big-time broadcasting.

Farm Journal Takes Prospects on "Conducted Tour'

Farm Journal's publishers know that no magazine sales' weapon is more effective than the acceptance of a good editorial job -but they know also that many of their prospects are not farmers, and therefore not steady readers of farm papers.

This month Farm Journal solved that one by mailing to agency and advertiser prospects a copy of the February issue so tabbed that attention is drawn automatically to the most important editorial features. The device is a simple die-cutting of a $16\frac{1}{2}$ " x 11" sheet of buff stock. Half the sheet is slit horizontally into eleven sections which are separately folded into the magazine at designated spots.

For example, the reader is stopped opposite the contents page at page 5, where the buff slit reads "CONTENTS—aren't these the things you would find interesting if you were a modern, intelligent farm per-Brief, crisp, current-more than 110 titles in this issue." He can't go further into the issue until he folds back that slit. Next he finds one which explains the time-liness of F. J. material, then the "news event of the month"—and so on through eleven "high-spots" down to the last page. Our hats are doffed to Messrs. Patterson, Fernald and Jeunet for a unique promotion piece.

Is Radio a Threat to Newspapers?

Guy C. Hamilton, vice-president and general manager of the McClatchy Group, publishers of newspapers and operators of radio stations, told members of the California Newspaper Publishers Association meeting in Fresno, January 20, that radio can be successful without putting a crimp

in the newspapers which compete with it.

After an experimental period in the '20's, the McClatchy Group gradually expanded their radio activities until in 1932 they had acquired a string of five California stations. Up to that year the organization had been spending \$10,000 a month in promotional work to keep up newspaper circulation, but, to cut expenses, they laid off all solicitors and stopped all circulation promotion. Since that time they have confined all newspaper circulation promotion to radio stations announcements and, as Mr. Hamilton puts it, "Amazingly enough, all of our papers have been gaining steadily each year since 1932.

For example, in February, 1932, the

The 15 Leading Magazines—1938 and 1937 (in linage)

(1111180)											
		1938	Lines	Pages		1937	Lines	Pages			
	1.	Sat. Eve. Post	1,578,379	2,321.1	1.	Sat. Eve. Post	1,881,093	2,766.3			
	2.	Collier's	1,099,096	1,616.3	2.	Life	1,414,487	2,224.0			
	3.	Vogue	1,073,520	1,698.6	3.	Time	1,340,134	3,123.9			
	4.	The New Yorker	1,003,259	2,338.6	4.	Collier's	1,271,617	1,870.0			
	5.	Time	956,169	2,228.8	5.	Vogue	1,142,347	1,807.5			
	6.	Harper's Bazaar	788,860	1,173.9	6.	The New Yorker	1,111,847	2,591.7			
	7.	Fortune	607,747	961.6	7.	The American Weekly	937,153	492.2			
	8.	Life	597,787	939.9	8.	Fortune	892,226	1,411.8			
	9.	Esquire (National)	563,065	837.9	9.	Harper's Bazaar	848,347	1,262.4			
	10.	The American Weekly	557,612	292.9	10.	Esquire (National)	735,406	1,094.4			
	11.	Business Week	515,977	1,202.7	11.	Business Week	682,336	1,590.5			
	12.	Yachting	490,070	775.4	12.	U. S. News	569,846	273.2			
	13.	Woman's Home Comp	471,384	693.2	13.	Good Housekeeping	562,655	1,311.6			
	14.	Good Housekeeping	461,548	1,075.9	14.	Town & Country	555,552	826.7			
	15.	Ladies' Home Jnl	436,472	641.9	15.	Woman's Home Comp	547,937	805.8			



At the recent annual employes' banquet (stag) of the Chicago Evening American, these men, all of whom have been with the Hearst organization 25 years or more, got together for this group picture. Perhaps you can spot Merrill C. Meigs, publisher; Wm. M. McNamee, advertising director; Earl Glenn, national advertising manager; E. G. Woods, legal counsel; and Walter Parker, circulation director.

net paid circulation of The Sacramento Bee was 51,989; for December, 1938, it was 65,326, a gain of 13,337. The Fresno Bee's circulation in February, 1932, was 33,900; for December, 1938, it is 47,560 a gain of 13,660. Subscription rates of both papers have been raised during this period. The increase in circulations has made it possible for us during this time materially to increase all our advertising rates which, of course, means continuance of a profitable operation.

Courier-Journal's Stewardship

In the November 15 issue of SM, the feature article in this department told of the extra responsibility which the publishers of the Louisville Courier-Journal & Times assumed because they operated a newspaper monopoly in the city. Currently in a series of full-page house advertisements the newspaper reports on its stewardship to the people of Louisville. Contrasts are given between what the monopoly newspaper is giving today as against the situation a little more than two years ago when competition existed in the form of the Herald-Post.

Some of the points which are driven home to Louisville readers and advertisers 260 columns more of news in November than in the same month of 1936 in spite of the sharp increase in the cost of paper . . . \$80,000 more for news and editorial payrolls in 1938 than in 1936 . . . \$2,000 a month more for engravings. Added color in the rotogravure section Services of all press services . . . A larger staff of photographers than any comparable newspaper . . . A trade relations campaign to remove such barriers as toll bridges and inadequate highway approaches . tivals, institutes, home and farm improvement campaigns, etc.

Women Vote on Mixed Advertising and Entertainment

The February issue of Ladies' Home Journal carries results of its survey "What the Women of America Think About Entertainment"-highlighted by the disclosure that 60% of American women think too much time is given to advertising on radio programs. But, on the other hand, 67% would not like advertising to be entirely eliminated.

This survey is one of a series the magazine has been conducting to discover the opinions of the country's 37,000,000 women. The method which forecast the 37,000,000

1936 presidential election is used. Some radio programs for children are too exciting, say 68% of the women questioned; 32% think not. To the question, "Should it be the radio station's responsibility to keep programs undesirable for children off the air, or should parents keep their children from listening to such programs?" 62% of

the Journal's readers answered "station's" responsibility, 38%, "parent' responsibility.

Media Notes

Effective January 16, the Milwaukee News (afternoon) consolidated with the Milwaukee Sentinel, which continues as a morning newspaper . . . The National Newspaper Promotion Association will hold its annual convention in New York from April 23 to the 27th . . . Fenger-Hall Co., Ltd., has been appointed the Amarillo (Tex.) Daily Times' national advertising representatives.

John B. Woodward, Inc., has been appointed national advertising representative for the Chattanooga, Tenn., Times

Gross advertising revenue of Life magazine increased 48% in 1938 as compared with the 1937 figure. Life has reported, at the same time, that its five issues of January, 1939 showed a 34% gain in linage

and advertising revenue over the same five issues a year ago.

Effective March 15, Stage will be published 20 times a year in standard magazine size. It will appear twice a month during September through May, and monthly, during June, July and August . . . American Mercury has been purchased by Lawrence E. Spivak from Paul Palmer. The sale includes books, the 25¢ book reprints of best-selling fiction.

First issue of the monthly publication, The Illinois Farmers Guide, appeared last month. Published at Peoria, Ill., by the Indiana Farmers Guide Publishing Co., it is represented nationally by J. C. Billingslea Co., New York and Chicago . . . The "annual" issue of *The Iron Age*, with the theme of "The World of Tomorrow," carried 400 pages of which 270 were advertis-Ken magazine will become a weekly on April 6, same price.

Media Men

William Ross has become advertising director, Lynn Gamble national advertising manager of the San Francisco Chronicle. Lewis E. Haas continues as business man-Lee Tracy of the New York World-Telegram has been elected president of the New York Newspaper Promotion Group, succeeding Ken Mason of the Sun. Leslie Davis of the Wall Street Journal was elected secretary and treasurer, succeeding

Following the death of Robert Morton Lee, managing editor, the Chicago Tribune, J. Lov Maloney, city editor, was appointed to succeed Mr. Lee.

V. Thompson, director of advertising of Nation's Business, has been appointed









John A. Stevenson, left, becomes president of Penn Mutual Life Insurance Co., Philadelphia, succeeding William M. Kingsley. Mr. Stevenson, former executive vice-president of Penn, also headed the Sales Managers' Association of Philadelphia. . . . Frank Fader, center, is put in charge of the newly formed ad and sales promotion department to coordinate all activities of the vitamin branch of Vitex Laboratories, Inc., division of National Oil Products Co., Harrison, N. J. He has been with the company for 21 years. . . . Joseph W. Frazer, right, for 19 years a Chrysler Corp. executive, has been elected president and general manager of Willys-Overland Motors. Toledo.

assistant to the publisher, Merle Thorpe. Orson Angell, director of promotion, has replaced Mr. Thompson . . . Fred O. Toof, former western manager of Associated Farm Papers, has been appointed to the newly created post of national advertising manager, headquarters remaining in Chicago . . . Phil W. Hanna, has been promoted from managing editor to promotion manager and assistant publisher of Practical Builder. H. R. Bigelow, recently with The Lehon Co., Chicago, joins the editorial staff of Practical Builder, taking over Mr. Hanna's work as managing editor.



Kenneth Collins, new assistant to Col. Julius Ochs Adler.

Kenneth Collins, former vice-president of Gimbel Brothers, will join the New York Times to assist Col. Julius Ochs Adler, general manager in advertising and promotion. Before his association with Gimbel Brothers, Mr. Collins was executive vice-president of R. H. Macy & Co.

Ray G. Maxwell, formerly affiliated with Butterick as a special representative, has joined the advertising staff of the Ladies' Home Journal . . . Jon Gregg, succeeds A. B. Greenleaf as editor of Spirits magazine with this month's issue . . . Franklin D. Carson, for 12 years an advertising executive with Marshall Field & Co., has become editor of Fabrics & Ready-to-Wear, a Haire publication.

James M. Muldoon, former sales promotion and advertising director of the New York Law Journal, has joined the executive sales staff of Collier Service Corp., covering bus and transit advertising to the World's Fair.



Kaufmann & Fabry Co.

C. R. White, for many years general sales manager of Munsingwear, Inc., and later an independent sales consultant, has been appointed general sales manager of Federal Electric Co. Mr. White will have his offices in Chicago.

Gerald Von Stroh, formerly sales service executive with Station KMBC, Kansas City, has been appointed to handle sales promotion for Wm. G. Rambeau Co. Chicago

tion for Wm. G. Rambeau Co., Chicago.
Robert L. Hutton, formerly with the sales staff of Advertising & Selling, is now sales promotion manager of Station WCCO, Minneapolis-St. Paul.

McGraw-Hill Extends Its Public Relations Program

For months now, in its various publications, McGraw-Hill Publishing Co. has been promoting the study of public relations in industry. As a step further in this program, the company has called a conference of 75 executive heads of leading American industrial corporations to discuss the problem in a closed meeting designated as The McGraw-Hill Public Relations Forum. The meeting will be held February 9.

meeting will be held February 9.

Among the leaders who will be present are Paul Willard Garrett, public relations

director of General Motors Corp., who will present a definition and outline of public relations as applicable to all industry, and Charles R. Hook, president of The American Rolling Mill Co., who will suggest a program for the application of such a definition.

Babies and Circulation

It's a favorite stunt of some newspapers to offer prizes, in collaboration with local department stores perhaps, to the first baby born in the new year. Last year 41-year-old Mack Sauer, editor of the Leesburg (Ohio) Weekly Citizen, "grew weary of it all and decided something new must be done."

And he did it. He offered \$10,000 for the first 1938 quintuplets born within eight miles of Leesburg. But the year didn't produce twins, not to speak of quins. However, there was, according to Mr. Sauer, a 57% increase in birthrate among Leesburg's 880 citizens.

And, says this editor-promotion man, "prospects look fine for an even larger in-

Editor Sauer's offer precipitated a 57% increase in births. . . .



crease this year," since he has now gone his 1938 offer one better. He has offered \$20,000 for the first quintuplets, \$10,000 for quadruplets, \$1,000 for triplets and \$10 for twins, adding: "\$5 for the first baby, providing it is Republican. If Democrat, only \$2.50. If Communist, Nazi, Fascist, or other such rot, parents to pay me \$100 and have driving rights suspended for one year."

have driving rights suspended for one year."
Parents of Leesburg's first 1939 baby received \$2.50.

Federation Calls for Entries for Ford Award

HE Annual Convention of the National Federation of Sales Executives will be held in Philadelphia June 5, 6 and 7, with the Sales Managers' Association of Philadelphia playing a dominant role and with Frank E. Ballantyne of that club acting as program chairman.

Following the three-day meeting in the Quaker City, June 8 has been set aside as Sales Executives' Day at the World's Fair in New York. A luncheon will be given to the out-of-town members of the Federation, with the Sales Executives Club of New York

playing the role of host.

Details of the convention program are not available as we go to press. One feature of the sessions, however, will be the presentation of the annual Howard G. Ford Award for outstanding achievement in sales management. The Federation became sponsor of this award, which constitutes an annual contribution to progress by the Sales Managers' Association of Philadelphia. The Merchandising Department of the Wharton School of the University of Pennsylvania is also participating in this co-operative activity.

Last year the award was won by the Ralston Purina Company of St. Louis and the material embodied in the entry published in special report form by Sales Management, Inc. The year before the Federation assumed sponsorship, the award was won by the Phila-

delphia Coke Company.

Joseph B. Parks, president of the Sales Managers' Association of Philadelphia, has recently extended an invitation inviting business at large to compete for this honor by submitting a record of what their companies have done to contribute to improvement in distribution through sales management

during 1938. Commenting on the Howard G. Ford Award, R. D. Keim, chairman of the Federation (and vice-president of E. R. Squibb & Sons), says: "The officers and executive committee of the National Federation of Sales Executives in endorsing the Howard G. Ford Award of the Sales Managers' Association of Philadelphia, do so with the conviction that national recognition should be accorded to the profession of sales management.

"In practically every field of business, science and the professions there are awards for outstanding achievement, these awards do honor to the individual, the institutions and the field

of endeavor." Mr. Keim continues.

With the attention of the nation now focused upon the distribution problems, the sales executive is due to receive the recognition his contribution to business deserves.

To promote and foster this recognition, is the purpose of this award, which has our unqualified support. We urge all sales managers to enter the competition and lend it the support that its motives warrant."

The qualifications for consideration in the competition are that the material submitted must emanate from the

following factors must be present: (a) Increased sales, (b) reduction in

sales management of the company competing and any one or all of the selling costs, (c) increased profits, (d) higher standards in the field of sales management in relation to finance, production, marketing and merchandising, research and advertising.

The judges, to be announced soon, will be men selected from among universities with schools of business administration, editors and publishers of periodicals dealing primarily in matters of distribution, and executives of business of national note. All plans to be included in the competition must be submitted before April 1, 1939. All information presented will be considered confidential. Additional information can be secured from the Sales Managers' Association of Philadelphia.



NOW AVAILABLE FOR SPONSORSHIP!

 In recognition of the ever growing importance of news, radio station WMC is now broadcasting four fifteen minute periods of news daily, news gathered and edited by the world famous International News Service. Thus, the complete 18 hour service of I. N. S. is submitted direct to WMC over special leased wire for instant broadcasting.

These news broadcasts are now available for sponsorship at package prices which are actually LESS than the quarter hour time rates!

An inquiry will bring complete details.

Memphis

5000 WATTS DAY-1000 WATTS NIGHT NBC RED NET WORK

Owned and Operated by THE COMMERCIAL APPEAL The South's Greatest Newspaper

WMC NEWS PERIODS

- 7:45 TO B A.M.
- 12:15 TO 12:30 P.M.
- 6:30 TO 6:45 P.M.
- . 10:30 TO 10:45 P.M.

MONDAYS THRU SATURDAYS

NATIONAL REPRESENTATIVE: THE BRANHAM COMPANY

THE MID-SOUTH'S Dominant RADIO STATION

So You Want to Standardize National Advertising Rates?

BY AD PROMAN

Editor's Note: In the January 1 issue Brass E. Tacks, who is a well-known newspaper space-seller, advanced a theory with which the editors of SM heartily disagree. He argued that newspaper readers are pretty much the same wherever you find them, and that rates should be standardized at so much per thousand. Another newspaper man takes issue with him.

WANT to take issue with Brass E. Tacks on his standardization of newspaper national advertising rates. True, it would facilitate agency bookkeeping. It would enable agencies to dispense with space buyers and by merely relegating the spacebuying duties to a clerk or stenographer effect a considerable saving in payrolls.

No judgment would be required by either. All that would be necessary would be a copy of Standard Rate &

Data Service.

Numbers versus "Personality"

But present-day space buying requires something more than a standard scale of so many impressions for so many cents per line. For newspapers, in the final analysis, are merely products just as such things as coffee, suits of clothes, pairs of shoes and so on. And you can no more determine the true value of a newspaper by its circulation size than you can the value of a suit of clothes by the number of yards of material it contains, nor the quality of a brand of coffee by the number of beans contained in each pound of it.

Every newspaper, every magazine, has its own individuality, its own character, its own appeal. To a very great extent its characteristics determine its audience of readers. The Cleveinatti Eagle, with 200,000 circulation might well be worth in actual value to an advertiser the 400,000 circulation of the Cleveinatti Ledger. Why? Because the *Eagle*, with a distinct appeal to the families in the "upper half" income brackets, gives an advertiser coverage of Cleveinatti's section of its population which is in a better position to buy what an advertiser has to sell . . . which is more advertisingminded, more brand-conscious and less bulk-conscious. The recent Government survey on consumer purchasing habits revealed the fact that the 50% of families earning more than the median average of \$1,446 accounts for over 70% of all purchases, while the 50% earning less than that median accounts for less than 30%.

The 200,000 circulation of the Cleveinatti Eagle is entirely voluntary. No prize contests, premiums, books, pots and pans, insurance or what not are used to inflate or maintain its circulation. People read it because of what goes *into* the paper, rather than

for what goes with it.

We might not be able to say the same for the 400,000 circulation of the Cleveinatti Ledger. If we study its Audit Report we might find that it received thousands of subscriptions of varying length by means of contests offering substantial cash awards. We might find that thousands of sets of books and encyclopedias were sold at a ridiculous cost to readers who also clipped coupons from its daily editions. For taking the paper for a period of six months or a year many hundreds of readers received clocks, skates, sleds, kitchen utensils, etc. Many thousands were influenced in buying the paper because they received with it an insurance policy of some sort or another.

Discount for Forced Circulation

Now how can we reasonably assume that one thousand readers of the Ledger are worth just as much to an advertiser as one thousand readers of the Eagle, and therefore the Eagle can charge no more than 40 cents per line, the same rate as for the Ledger? In a great many instances people buying the Ledger read little or nothing of its content, merely purchasing the paper to clip contest coupons or book coupons or insurance coupons. Not having bought the paper voluntarily they are hardly likely to be interested in its editorial content to any extent.

I hold that it is a publisher's right and privilege to charge for his product what he feels it is worth. He has this right and privilege just as the man who manufactures a tooth powder, a cigar, an adding machine or a shirt. Remember, he's manufacturing an individualistic product, not a postage stamp. He's manufacturing a product which has by its very nature a varying degree of value. The postage stamp costs the same the country over. And rightly so, because it gives the same service and same value the country

I feel that Brass E. Tacks' suggestion would but increase the present trend of many publications of stimulating circulation by artificial methods in order to add thousands of units to their circulations and thereby demand a higher rate for their advertising.

Until such time as all people are alike . . . all incomes alike . . . all buying habits alike . . . I'm fairly certain that we'll go along on our present method of charging for our white space what our publisher feels it is worth, based upon what it costs him to produce his product and what he has discovered about its value to an advertiser.

Advertising Drives

(Continued from page 22)

Alemite Advances

Stewart-Warner Corp., Chicago, reserves color and bleed pages in S. E. P., Collier's, Country Gentleman, Capper's Farmer for its Alemite auto oil and lubricants. A co-op effort with dealers will appear in newspapers of some 200 cities on the company's new line of appliances.

"Stepped up lubricants, worthy companions of stepped up gasolines, engines and cars," is the theme. A guarantee, by both Alemite and dealers, assures satisfaction or money back. The NBC Red network program, with Horace Heidt and his Alemite Brigadiers, follows the same theme in its

commercials.

S-W's "Dual-Temp" refrigerator and line of electric ranges also get consumer magazine space. Finally, both types of products will appear in "a long list of trade publications." Hays MacFarland agency, Chicago, is in charge. Both campaigns constitute "the greatest advertising program in S-W's 26 years of history." Appliance ads will be concentrated in major selling months, starting March 11.

Creamier Crisco

"Gyno-Churn process" makes Procter & Gamble's Crisco "creamier, faster-mixing" readers of the nation's newspapers are learning. An extensive group of magazines (just how many P & G won't say) also carries word of the recently perfected process.

"This Day Is Ours," a CBS network show also plugs Gyro-Churned Crisco; as does "Vic and Sade," NBC Blue network serial. Transcriptions on individual stations add their commercials. Compton Agency, N. Y.,

handles the account.

McKesson & Robbins Organization Unites to Save Jobs and Assets

(Continued from page 20)

Two of them, before me at the moment, are both headed "Confidence." One, from the Syracuse Post-Standard, was "inspired and paid for by 75 retail druggists" there. The other, in the Portland, Oregon, News-Telegram and Oregon Journal, was signed by the presidents of the Oregon State Pharmaceutical Association and Portland Retail Druggists' Association.

Individually, also, druggists have done their part. One, in the Boston area, set up a bulletin board in front of the cash register with the headline "McKesson News." On it he reproduced favorable news about the com-

A retail Druggist in Oklahoma wrote to the Faxon drug division, Kansas City:

"Boy, we're still behind your organization 100%. We're bending our efforts to make 1939 a bigger and better year for both your and our own organization. . . .

"We can take care of the McKesson proposition locally. Have had very little that we haven't been able to explain."

A Message to Salesmen

Another druggist in Arkansas wrote a letter—typical of many—which the division manager of the Van Vleet-Ellis division, Memphis, reproduced and sent to all salesmen working out of Memphis, Jackson and Little Rock:

"The New Year probably brings to you a certain amount of embarrassment, humiliation and possibly financial worries. Yet I feel that . . . the friends you have made during your long business career are going to stay with you. So hold your head up! Give 'em all you got and it won't be long before this unfortunate situation will be cleared up and we'll all be happy again."

Wholesale division executives have been quick to curb rumors. The Peter-Neat division, Louisville, ran a half-page in the *Courier-Journal* there January 15 to quote reports from the State Department of Health, Kentucky Board of Pharmacy and Kentucky Pharmaceutical Association, emphasizing that the company "has manufactured and sold only the highest quality drugs and pharmaceutical preparations."

Competitors of McKesson & Robbins urged that "the occasion calls for a broad-minded, long-range view of what is good for pharmacy." In a full-page ad in the Pacific Drug Review, L. N. Brunswig of Brunswig

Drug Company, Los Angeles, said that "the drug industry . . . would be irreparably damaged by the wrecking of the McKesson & Robbins business. . . . Let's make the public understand that a few termites in the industry do not represent the whole industry. . . ."

not represent the whole industry., ...

And many of the newspapers which had carried and played up the Coster-Musica scandals have begun to tell the constructive side of the McKesson story. . . . In an editorial-page cartoon, the Pensacola, Florida, Journal, also showed the work of "termites," . . . The Houston Post published an editorial on the Southern Drug Company, now the Southern division, and on the services of its founder, B. B. Gilmer, to that community. . . .

Mr. Gilmer is but one of hundreds of McKesson executives and employes who have long been people of standing in their communities. Down through the years, as independent business men and as members of the McKesson organization, they have won and held the confidence and friendship of those with whom they dealt. It is this personal relationship which enables businesses to survive and to grow, and which enables them to come back after adversity has struck them.

"Good-will"—before December 8

"Good-will"—before December 8 and now, Mr. Wardall told SM—is carried on the McKesson & Robbins balance sheet at \$1. But judging by the way the organization and the industries it serves have leaped in to help, this item—even today—is worth much more.

Court Approves Renewal of McK & R Factor Contracts

The Federal Court has approved the renewal of del credere factor contracts between McKesson & Robbins, Inc., and the following firms, under which McK & R will continue to distribute certain of their products under a national consignment policy: International Cellucotton Products, Miles Laboratories, D. Miles California Co., E. R. Squibb & Sons, Coty, Pepsodent, Upjohn Co.

Trustee Wardall has been authorized by the Court to negotiate similar contracts with Lanteen Medical Laboratories, Barbasol, Feminine Products, Inc., National Carbon, for whom Mc-Kesson & Robbins were acting as del credere factors previous to reorganization proceedings.

HUSTLE WITHOUT BUSTLE

We're hustlers when the occasion demands but we don't make any noise about it. Our service is as cheerful and quiet as it is speedy.



DO YOU WANT A LINE?

If you have a distributing organization—local, sectional or national—and you are seeking new or additional items to sell, SALES MANAGEMENT magazine invites you to file in their New York offices information about your company, and data on the type of product you are best equipped to distribute.

DO YOU WANT A SALES AGENT?

If you are seeking distributing organizations to take on your product, SALES MANAGEMENT invites you to file in their New York offices a statement of your needs with respect to the territory to be covered.

Through the SALES MANAGEMENT Readers' Service Bureau, this magazine will be glad to establish contacts between companies seeking distribution, and those having meritorious products which need distribution machinery wherever we can do so.

SALES MANAGEMENT

420 LEXINGTON AVENUE NEW YORK CITY

Junior Salesmen Reclaim 33% of Firm's Inactive Accounts

This simple plan for creating a flock of new business from the tenants of the "dead ledger" sheets, can be adapted by many a company in other lines.

NTRODUCTION of "junior" salesmen into the sales force and placing them in the zones of regular salesmen has been the most effective system ever tried for revivifying inactive accounts for the Grimes-Strassforth Stationery Co., Los Angeles, according to R. A. Thomas, sales manager.

In five downtown zones, covered by five regular "senior" salesmen, two "junior" salesmen were given the inactive accounts to work on. This means that each of the young men has two and a half zones to cover.

In two months' time sales had been made to 33½% of these former customers. In addition to this a large number of new accounts had been opened.

Regular Salesmen Cooperate

A complete list of the inactives in each regular salesman's territory was handed to him and he was asked to take this list home, go over it carefully in the quiet of his room and sort out the accounts that seemed to him hopeless insofar as he was concerned. He was told to keep the others if he wished, and make a serious effort to reclaim them. The method of suggesting the plan had to be just and diplomatic. The men had to feel that they were being fairly dealt with. They were given the chance to take full initiative in turning over such accounts to the younger men.

"There is no disgrace, no criticism, no penalizing, in this move," Mr. Thomas told them, "for you all know that there are accounts which one man can't reach which another may reach. There are a thousand things that enter into this problem of inactive accounts. Perhaps personalities clash. Perhaps we failed in service, or at least perhaps the former customer feels that we did. Perhaps originally you made a bad start on this account.

"The more likely reason in most cases, however, is that you already have so many calls to make that you cannot give adequate attention to an effort to reopen any of these accounts. It is altogether likely that you do not have the time to be persistent. You prob-

ably will find it a relief to get rid of an obligation which you feel is yours and one that you have not the time to take care of."

There was not a kick in the whole company. The men handed over about half of the accounts the next day. Those they wanted to work at for a time they retained as their own for periods of 30, 60 and 90 days. If at the end of 90 days they did not get a bite they quit.

While all Grimes-Strassforth salesmen are taken from inside departments and all are brought up from the ranks, care was taken to see to it that the "junior" salesmen put on this "tough" job had had previous outdoor experience. This was done by putting them on as relief salesmen during the vacation period, and so timing the new job that it began immediately after the vacation season ended.

The two young men, one 22 years old and one 28 years old, were told at the beginning that the job would be the hardest on the docket. "You have as vacation relief salesmen learned something of outside contacts and outside selling. The work you have been doing is the easiest sales work that we have. The new job will be the very hardest. If you succeed at it, however, you can have the inner assurance that you have done something." They were both hot for the trial.

New Brooms Sweep Clean

The boys were given every morale boost possible. They went out on straight salaries so that they knew they were not hanging in thin air. They had been accustomed to salaries inside. In addition, they were given slight raises to indicate that this new job was regarded by the company as a promotion. The regular men wished them luck.

Both young men have succeeded. One of them took first place in the October sales contest although that was only his second month out, and the other stood within reaching distance of the top. The sales contest was based on new customers and on promotion of the month's leaders and seasonal items. A reclaimed customer was

classified as a new one for the purposes of the contest.

The reasons why the "junior salesmen" were able to do what the "seniors" could not do are given by Mr. Thomas as follows:

- (1) The new men do not suggest the past history of the account, so they do not bring up any automatic arguments. As a matter of fact they were instructed not to mention in any way that there had been previous business relations. They were told to start at scratch.
- (2) The young men are fully amenable to suggestions, they welcome suggestions and enthusiastically follow them. Nothing is "old stuff" to them, it is all new and fresh.
- (3) The young men do not hesitate to show the lead item nor to present the full line. Experience and repetition in many cases cause the senior salesman to present only certain things to avoid rebuff.
- (4) The young men do not balk at regular repeated calls, time after time, patiently expecting that all-important first order.

Plan to Be Extended

(5) The young men do not hesitate to ask questions as they are instructed to do in sales meeting. By asking questions they learn the prospect's problems and you cannot offer a service that meets problems until you know the problems. Older men are apt to let the customer do the suggesting as to type of article wanted.

(6) The young men are still capable of receiving thrills and every thrill means more enthusiasm, while more enthusiasm means more sales.

Not only have the "senior" salesmen been praising the new plan 100%, but two of them have asked that a building in the zone of each one be turned over in its entirety. This means that each "junior" now has a complete office building in addition to his revivified accounts. Each of those office building was turned over voluntarily because the seniors felt they could not cover them adequately. The new arrangement gives them more unhampered time to concentrate on the more accessible and more productive buildings in their zones.

"This downtown try-out," says Mr. Thomas, "has convinced us that the 'junior' salesman plan is the real way to revive inactives, and when done diplomatically it brings no discord whatever. We hope to extend it throughout our entire trade territory. If it can corral one-third of all inactives turned over to it in two months' time it is obvious that it has what we need. It is a plan that I can recommend."

Marketing Flashes

(Continued from page 47)

lack of interest by the press and publice led to discontinuance of Telepix after a year. At one time 20 or more cities were connected by 8,000 miles of Telepix wire.

WU believes its new superior process has overcome the disadvantages of

former methods.

Color Affiliates

Rarely do manufacturers of different, though non-competing, lines get together on a marketing program. Kislav gloves, Koret handbags, Knox and Dunlop hats, and Arteraft hosiery, however, have done just that.

As "Color Affiliates" the group is pushing Spring outfits for women in matching shades for these four items. A color page in Vogue, through Abbott, Kimball, N. Y., agency, has been the only direct consumer publicity. But department stores stocking the blended hats, hose, gloves and bags will carry on with window and store displays, run newspaper ads on their own. Should the four-sales-in-one promotion catch on, more ads will probably appear next fall.

Tomorrow's Jobs

One out of every four persons is working today at a job that did not exist in his grandfather's prime. The National Industrial Conference Board asserts that 15 major industries have been developed since 1879, directly or indirectly creating 15,000,000 new jobs.

Since 1928 one company has developed 12 new groups of products that now employ 18,000 men. Last year about \$20,000,000 was spent by the country's chemical manufacturers in research that will provide future paychecks for other thousands. Out of each \$100 in sales of organic chemicals alone, \$4.30 went to research.

Buggy whip makers must turn to other trades, yet firms molding plastics for instance—take up the slack, and more, too.

Skate-O-Meter

Segal Safety Razor Corp., N. Y., expects to sell 1,000,000 of its new "Skate-O-Meters," a gadget which takes the place of one wheel on a roller skate and tells the mileage. They will be marketed through sporting goods and department stores, and as premiums. The S-O-M records miles and fractions up to nine and then starts over again. Samuel Segal, inventor of the Segal lock, worked it out.

5 MINUTES TO LOOP . FURNITURE AND MERCHANDISE MARTS · LINCOLN PARK SOLDIERS FIELD

Near North Side, overlooking Lake. Single and double rooms and suites - by day, week or month.

FACILITIES INCLUDE

billiard and table tennis rooms, tennis courts and smart cocktail lounge. Dining room features Harding's "Just Wonderful Food."

A DELIGHTFUL ROOM FROM

Special Rates by Week or Month

Friendly service. No parking worries.

I know a man who has what it takes! He is ready to start working for you now as Sales Builder.

Good men are hard to find when you want them. Here's a man who should add strength to almost any organization.

Creative yet practical, a good organizer, executive and driver, he has what it takes to make a good sales executive.

As a salesman I believe he is a rare find, for he has a quality most salesmen lack . . . a promotion mind. He is a capable field promotion man.

Once he makes some contacts, I am sure he will be snapped up quickly. Why not give him an interview so you can see for yourself that he has what it takes?

Ask me about him . . . A. W. Jones, Sales Promotion Manager, Standard Gas Equipment Corp., 18 East 41st Street, New York, or write to him direct . . . Lewis M. Fageley, 24 Warwick Street, East Orange, N. J.

JOHN P. HARDING

MANAGEMENT

GIBBONS KNOWS CANADA

J. J. GIBBONS LIMITED . ADVERTISING AGENTS





Add reprints of

Marketing Pictographs
to your selling kit. Write
Sales Management for
prices.

PHOTOSTATS

COMMERCE PHOTO-PRINT CORPORATION

1 WALL STREET
233 Broadway 56 Pine St.
80 Maiden Lane 33 W. 42nd St.
Dlgby 4-9135-6-7-8



Booklets reviewed below are free unless otherwise specified, and available either through this office or direct from the publishers. In addressing this office please use a separate letterhead for each booklet requested, to facilitate handling. The address is Sales Management Readers' Service Bureau, 420 Lexington Avenue, New York, N. Y.

North Carolina Markets

An important volume on the industrial and physical resources of the State of North Carolina has just been published. Principal sections in the 932-page analysis cover statistical summaries of manufacturing, agriculture, population, wholesale and re-tail trade; outstanding industrial opportunities; classification and listing of industries, including 4,000 firms with names of president and purchasing agent; classification of industries by counties, with support-ing county data on population, wholesale and retail trade, and buying power indices; a list of 35,000 manufacturing and business firms by towns and cities. The directory is case bound with vellum cover, and is priced at \$7.50. Any manufacturer interested in sales development in this state will find the study as complete a market guide and di-rectory as is available. For further information, or direct orders, address Bill Sharpe, Department of Conservation and Development, Raleigh, North Carolina.

Increasing Responsibilities of Sales Executives Surveyed

Such constantly changing factors as markets, competition and buyers' needs, call for continuous study of the sales management function, according to "Functions of the Sales Executive," a report recently issued by the Metropolitan Life Insurance Co. The report is based upon a survey made by the Metropolitan's Policyholders Service Bureau of the practices and experiences of 120 leading manufacturing concerns.

Important trends in the field of sales management were brought out by the investigation. Some of the more significant

- More careful and scientific sales planning.
- Greater centralization of authority over basic sales policies.
- Increasing decentralization of responsibility for execution of the sales program.
- Sharper division between responsibilities for planning and executing the sales program.
- Increasing application of the principle of specialization to sales work.
 Growing influence of the sales execu-

tive in the councils of the company. The scope of the sales management function is discussed under four general divisions as including those relating to (a) the sales program, (b) the product, (c) the market and other "outside" factors, and (d) the sales organization. One section of the report discusses the duties of sales executives under various types of organ-

ization setups, and is illustrated by organization charts from companies in different industries. Another analyzes the ways in which the sales manager spends his time. Others deal with the assignment and delegation of functions within the sales department, the nature and amount of field work done by sales executives, and the coordination of sales with other phases of the business. Advertising, packaging, product design and other direct responsibilities of the sales chiefs are shown in their relation to the marketing process.

Interested executives may obtain copies of "Functions of the Sales Executive" from the Policyholders Service Bureau, Metropolitan Life Insurance Co., One Madison Avenue, New York, N. Y.

N.I.A.A. Asks and Tells What Happens to Direct Mail

How is direct mail handled in the offices of manufacturers receiving it? Who opens it? Who decides its distribution? Who has the authority to destroy it before it reaches the person to whom it is addressed, or, where it is not addressed to an individual, before it reaches the person to whom it should be referred? What are the titles or jobs of those handling it? Does all mail addressed to company executives reach them?

These and a number of other questions—16 in all—are answered in a report which presents the factual results of a survey recently completed by the Youngstown Industrial Marketers, one of 17 chapters of the National Industrial Advertisers Association. Replies were received from 277 manufacturers and are tabulated according to ten classifications of companies, ranging from manufacturers of capital equipment to producers of raw materials and service organizations. The answers to each question are given separately for each industrial classification and collectively for the group. They are also broken down according to 9 size classifications based on number of employes, the first being up to 49 employes and the last 10,000 or more.

For example: With respect to the question, "Does all mail addressed to executives of your company reach them?", the collective answer was "Yes" in 67.5% of the cases and "No" in 32.5%. In the specific category of companies having from 1,000 to 3,000 employes, the answer was "Yes" 56.8%, "No" 43.2%. However, for the industrial classification, "manufacturers of containers or packaging materials," the answer was "Yes" 83.3%, "No" 16.7%

swer was "Yes" 83.3%, "No" 16.7%.
Copies of this report may be obtained from the National Industrial Advertisers Association, 100 East Ohio Street, Chicago, Ill. The price to non-members is \$1.00 per copy.

Ideas for Mail Campaigns

Executives personally responsible for quantity mailing campaigns should be interested in a portfolio illustrating combinations of paper, type, and ink. Published as a series of mailings by General Printing Ink Corp., and now combined in a portfolio of 12 samples, the collection embraces papers made by as many different manufacturers, and layouts utilizing practically all of the standard and modern type faces. The ink used on each piece is labeled. The entire exhibit is one of the most interesting direct-mail promotions that has come to our attention. Requests for the "Coordination Series" should be addressed to Herbert Kaufman, General Printing Ink Corp., 100 Sixth Avenue, New York, N. Y.

PERSONAL SERVICE AND SUPPLIES

Cash Basis Only. Remittance Must Accompany Order. Classified Rates: 50c a line of seven words, minimum \$3.00. No display.

EXECUTIVES WANTED

SALARIED POSITIONS. \$2,500 to \$25,000. This thoroughly organized advertising service of 29 years' recognized standing and reputation, carries on preliminary negotiations for positions of the caliber indicated above, through a procedure individualized to each client's personal requirements. Several weeks are required to negotiate and each individual must finance the moderate cost of his own campaign. Retaining fee protected by refund provision as stipulated in our agreement. Identity is covered and, if employed, present position protected. If your salary has been \$2,500 or more, send only name and address for details. R. W. BIXBY, Inc., 118 Delward Bldg., Buffalo, N.Y.

TO THE MAN OF EXPERIENCE. \$2,400 yearly and up, seeking a new connection, but who wishes to protect, beyond question, his identity and present position, this service, established 1927, offers a plan especially geared to present day conditions. Of equal pertinence is our alternate plan for the man, now unemployed, who wants to locate the quickest market for his services. Send name and address only for particulars. J. T. Jennings, P. O. Box 161. Taylor Place, Short Beach, Connecticut.

EXECUTIVES EARNING \$2400 to \$25,000. Vocational relations counsel of demonstrated ability conducts confidential introductory employment negotiations keyed to the qualifications presented. Leaders of industry, and those of your choosing, contacted in your locality, or elsewhere, through personalized advertising campaign at moderate expense. If you have the initiative to press on towards a higher paying position, this organization may be the medium of achieving your ambition. Write for full information to VOCATIONAL INTERMEDIATES 1428-30 National Bank Building, Detroit, Michigan.

HELP WANTED

SALES MANAGER WANTED—EXPERIENCED, AGGRESSIVE—to fill existing vacancy in home office of manufacturing concern selling high-grade, established, nationally advertised product to department and furniture stores in the Tri-State Area surrounding Pittsburgh. Daties—personal sales contacts with household furnishings departments of local stores; also the direction of eight to ten experienced salesmen. Product—sold nationally for 50 years; noted for fast turnover. Territory—excellent. Has rich potentials for further development. Remuneration—salary in line with responsibility, plus bonus. Reply—should state age, experience in full, sales record, earning record, salary expected, car ownership, suitability of Pittsburgh interview. Box 627, SALES MANAGEMENT, 420 Lexington Avenue, New York, N. Y.

INDUSTRIAL LINES WANTED

A WELL-TRAINED SALES EXECUTIVE OF broad background in the industrial field wishes to take over the representation of several Grade-A products, non-competitive, selling to the industrial field. First choice of territory is Central New York, with headquarters in Syracuse, where his established contacts would be of most value. Second choice would be New England. This man is a Yale engineering graduate; he has hired and trained salesmen and has spent ten years in industrial sales work for one of the country's largest oil companies. He seeks quality products sponsored by well-established manufacturers and prefers products which sell on a repeat-business basis. Address Box 610, SALES MANAGEMENT, 420 Lexington Avenue, New York City.

LINES WANTED

OFFER YOU INTELLIGENT SALES REPREsentation New Orleans to Denver and El Paso, four times yearly. Want short, staple, non-seasonable line, must have some established business. Gentile, 38, references. R. E. Barret, Knox Street Station, Dallas, Texas.

LINES WANTED (Continued)

THE FOLLOWING SALESMEN AND/OR sales organizations have filed with SALES MANAGEMENT bids for new or additional products to be sold in the territory designated. Manufacturers interested in establishing contact with any of these sales representatives should mention the key-number at the beginning of the advertisement. This department is conducted solely as a service and SALES MANAGEMENT cannot guarantee the integrity of any of the individuals or firms represented in this list. To the best of our knowledge they are reliable. Address: READERS SERVICE DEPT., 420 Lexington Ave., New York City, N. Y.

Ag-1. Territory: Western N. Y., hdqrs., Syracuse. Wants several non-competitive first-grade products selling to industry which have repeat sales.

Ag-2. Territory: Md., D. C., hdqrs., Baltimore. Wants grocery specialty products.

Ag-3. Territory: National, hdqrs., Chicago. Wants grocery products.

Ag-4. Territory: Tenn., hdqrs., Nashville. Wants mechanical or electrical specialties selling through dealers.

Ag-5. Territory: South Tex., hdqrs., Houston. Wants several good staple or specialty lines.

Ag-6. Territory: Southern O., Ind., Ky., Western W. Va., hdqrs., Cincinnati. Wants products selling to electrical and hardware stores, central stations, jobber trade.

Ag-7. Territory: New England, hdqrs., Boston. Wants any product that has New England potential.

Ag-9. Territory: West Virginia, Southeastern Ohio, Eastern Kentucky. See Ad Box 303.

Ag-10. Territory: Central New York or New England. See Ad Box 610.

Ag-11. Territory: New York, New Jersey, New England, hdqrs., New York. Wants automotive products, jobber and chain store trade.

Ag-12. Territory: New Orleans to Denver and El Paso. Wants short, staple, non-seasonable line.

Ag-13. Territory: Wisconsin, hdqrs., Milwaukee. Wants food specialty, cosmetics, drug sundries, any products with repeat possibilities.

Ag-14. Territory: New York Metropolitan area, hdqrs., city. Wants engineering and marine products.

Ag-15: Territory: 11 Western States or three Pacific Coast states, hdqrs., San Francisco. Wants any products sold through department store, chain, jobber, furniture outlets.

Ag-16: Territory: Southern O., Ind., Ky., hdqrs., Cincinnati. Wants production materials for sale to any and all electrical and mechanical manufacturers.

Ag-17: Territory: Pacific N. W. states, hdqrs., Seattle. Wants to represent any Eastern manufacturer, advertising nationally, preferably building materials.

Ag-18: Territory: metropolitan N. Y., hdqrs., N. Y. Wants infants' and children's shoes and slippers.

Ag-19: Territory: Texas, hdqrs., Houston. Wants building materials or specialties, food products, shoes.

Ag-20: Territory: Eastern N. Y., Conn., N. J., Eastern Pa., hdqrs., New York City. Wants lines selling to industrials and supply houses.

Ag-21. Territory: Northern Ohio, hdqrs., Cleveland. Wants one additional account, steam or electrical equipment, for industrial or jobbing trade.

MAILING LISTS

SPECIAL MAILING LISTS. CHEMISTS, ACcountants, Credit Managers, Sales Managers, Traffic Managers, Export Managers, Purchasing Agents. Officials of Corporations, High Salaried Executives Write RESULTS ADVERTISING CO., MAILING LIST COMPILERS, 709 Pine Street, St. Louis, Mo.

PHOTO AD-CARDS

WHAT'S NEW?—OUR ADVERTISING CARDS are outstanding and distinctive: They go straight to the man who buys and they sell him your product: Don't overlook this economical and effective means of getting orders: Used by large and small concerns: Attractive NEW samples free: Write today, GRAPHIC ARTS PHOTO SERVICE, Hamilton, Ohio.

POSITIONS WANTED

SALES MANAGER

SALES EDUCATIONAL DIRECTOR

A man will be available February 1st who is a
REAL salesman and Sales Executive. He has exceptional ability in educating and directing producing
salesmen in specialty and commodity fields. Experienced in budgetary control, sales quotas, advertising
and sales promotion. Has trained and directed as
high as 250 men at one time. An aggressive and
diplomatic executive, capable of fitting into any
organization, and with ability to follow through on
well organized plans and programs. This may be the
man you are looking for. Write Box 626, SALES
MANAGEMENT, 420 Lexington Ave., New York, N. Y.

SALES MANAGER OR DISTRICT MANAGER. Twenty years of successful experience as salesman, branch, district, and divisional manager for three large corporations. I have a thoro knowledge of sales, advertising, merchandising, and dealer development in both wholesale and retail. Prefer small company where earnings will come thru fair salary plus bonus based on productiveness. Married, vigorous, Christian, age 41. Box 628, Sales Management, 420 Lexington Avenue, New York, N. Y.

REPRESENTATION WANTED

THE FOLLOWING MANUFACTURERS HAVE filed with SALES MANAGEMENT bids for sales representation in the territory or territories described, for lines designated. Sales agents interested in establishing contact with any of these manufacturers should mention the key-number at the beginning of the advertisements. This department is conducted solely as a service and SALES MANAGEMENT cannot guarantee the integrity of any of the individuals or firms represented in this list. To the best of our knowledge they are reliable. Address: READERS SERVICE DEPT., 420 Lexington Ave., New York City, N. Y.

Mf-1: Product: Water and metal treatment for steam boilers. Territory open: N. Y. and N. J.

Mf-2: Product: Drug item. Territory open: National.

Mf-3: Product: Insecticide. Territory open: New England, parts of East, most of Middle West.

Mf-4: Product: Display materials. Territory open: National.

Mf-5: Product: Specialty selling through infants' departments of department stores. Territory open: Ky., Ga., central and eastern Tenn., Ala., southern and central Ind., Ark., Miss., La.

Mf-6: Product: Patented fire and burglar alarm device. Territory open: National.

Mf-7: Product: Thermometers in drug field: testing instruments for industrial lines. Territory open: National.

Mf-8: Product: Fuel. Territory open: New England.

Mf-9: Product: Copyrighted art crucifixes and crosses for mortuary and drug trade. Territory: East of the Mississippi River.

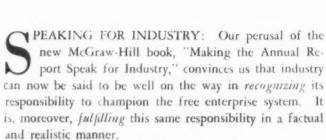
Mf-10: Product: Gas water heaters. Territory open: N. J., New England, Central N. Y. (outside Manhattan), and Pacific N. W. states.

Mf-11: Product Playground equipment; fences, chain link for industrial and residential use, rustic wood, wrought iron picket. Territory open: Ga., S. C., Ky., metropolitan Cincinnati, Va., western Md., Conn., Mass., R. I., Ala., La., southern Ind., southern Ill., & Albany, N. Y.

Mf-12: Product: Advertising products, novelties. Territory open: Atlanta, Memphis, Indianapolis, Kansas City and Dist. of Columbia.

Mf.-13. Product: Parented air circulating & cooling units. Territory open: Northern Cal., Ore., Wash., Rocky Mt. states including Denver, Col.

C O M M BY RAY BILL



Compiled by the National Association of Manufacturers from the annual reports of some 2,000 corporations, this book gives a composite picture of what American business is doing to bring its individual and collective story to employes, stockholders, housewives and the public at large. It goes far to disprove many of the recent dishonest and "inspired" attacks against business and the free enterprise system. We quote from the foreword by Robert L. Lund:

In one survey, to the question "Are business profits too high?" came the answer "Yes" from 31% of the workers questioned, 35% of the executives, 36% of the proprietors, and 47% of the students. The facts are that in 1929 corporation profits averaged less than 6% on investment, with one-third of the corporations showing no profit, while in normal times profits have averaged only 4%. Figures show that from 1930 to 1936 business operated at a loss of more than \$24,000,000,000.

Of 518 workmen asked what part the employes receive of the manufacturing income dollar, 378 said less than 5 cents, only 4 said more than 10 cents. Yet the United States Department of Commerce reports show the employes' share to be about 80%.

Every business executive ought to read this book so that he can be reinforced and additionally inspired to do his part in the future moulding of public opinion along those lines which probably mean most to the American people.

HAT A FUTURE FOR SEX HORMONES! We still blush slightly on our way back to the office, after attending the private preview of the Sex Hormone Demonstration which is to be staged by the Schering Corporation in the Hall of Science at the forthcoming Golden Gate International Exposition. As an exhibit it is in some degree both sexifying and intriguing, yet being also seriously scientific, it is also satisfying.

Focal point of the exhibit is a beautifully proportioned female figure, seven feet tall. This hormone lady is cast from a new, transparent, flexible plastic. The vital roles played by various glands and the hormones they produce are graphically portrayed by an intricate series of 18 projection machines especially designed. Thus colored pictures are thrown upon translucent screens, creating the illusion of actually seeing the sex hormones influence various organs within the body.



Hormones are carried by the blood stream. Nature depends upon them to excite and control the growth and activity of cells, glands and organs—hence the body as a whole. The so-called sex hormones have been inadequately named. These sex hormones also play an important part in developing and maintaining physical and mental wellbeing.

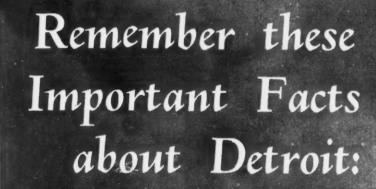
Like most humans, we are interested in maintaining good health through proper balancing of the hormones. We are not amiss to improved sex life and the prolongation of life itself, which we understand is also involved in this modern science of hormones. But we are somewhat perturbed about whether in the future, sales executives will be expected to hold hormone sessions for pepping-up salesmen. Perhaps, also, where the sales manager now needs a lawyer at one elbow to keep him in line with modern marketing laws, he will soon need a doctor at his other elbow so that he can continuously "hormonize" each member of his sales staff—thereby ironing out the peaks and valleys of individual sales performance, and thereby developing an ideal graph synchronization between week-to-week sales of the salesman and his week-to-week hormone content.

all the case histories that are being assembled to prove that advertising pays, we suggest that the most recent developments in the McKesson & Robbins case deserve careful study. For those who are still skeptical about the power and position of nationally advertised brands, it seems extremely significant that current sales of McKesson & Robbins products are standing up so very favorably despite the highly unfavorable, front-page publicity which the Coster scandal unleashed.

McKesson & Robbins has not been one of the very largest national advertisers but its annual investment runs into sizable figures and its aggregate investment in advertising involves a formidable total. As reported in the exclusive article appearing in this issue of SALES MANAGEMENT, the public sale of the company's advertised brands is proceeding impressively. Our own check-up in drug stores confirms this report. Hence, we say that advertising has again proved its ability to do a job, not only as regards the creation of current sales but also with respect to the insurance of future sales in spite of great hazards.







- Detroit is not only America's FOURTH market in size, but also one of the greatest industrial markets in the world. It is the dynamo behind the nation's great steel, oil and other key industries.
- 2. Detroit can be covered effectively and economically with ONE newspaper—The Detroit News—which reaches 63½% of ALL Detroit homes receiving any newspaper regularly—42% exclusively!

The Detroit News

New York: I. A. KLEIN, INC.

THE HOME NEWSPAPER

Chicago: J. E. LUTZ

From the

Illustrating the News in Color

ANOTHER forward step in the Chicago Tribune's drive to bring color into the newspaper was achieved on January 7, with the printing of a photo in color as an illustration of a current news story.

On that date the regular news presses of the Tribune reproduced a color photo of a group of soldiers wearing the newly designed slate blue uniforms which the army is now

All the operations involved in this unique accomplishment—taking the photo, making the engravings, mats, stereotype plates and press arrangements—were completed within a single working day. The photo was taken in the morning at Fort Sheridan, Illinois, with the Tribune's specially constructed Bermphol natural color camera. At one o'clock in the afternoon, the engraving department began work on the original color negatives. Eight hours later Tribunes containing the photo, reproduced in the exact colors of the original, were being read throughout metropolitan Chicago.

The Tribune believes in color and pioneered its use in the newspaper. In 1900 it was the first Chicago newspaper to print comics in color. In 1922 it introduced "Coloroto," a process of colorotogravure printing perfected within its own organization. In 1929 it was the first Chicago newspaper to offer advertisers the added power of newsprint color.

The development of color is only part of the Chicago Tribune's continuous drive to provide a better, more interesting newspaper for readers. It is expressive of the Tribune's vitality and youthful spirit—factors which

The cost of reaching a family with a year's advertising campaign of 13 four-color pages in newsprint color placed in the Chicago Tribune, daily or Sunday, is less than the cost of a nickel ice-cream cone.



ARTHUR SEARS HENNING, chief of the Chicago Tribune's Washington staf and a veteran reporter of every session of Congress during the last third of a century. The Tribune's comprehensive and uncompromising presentation of news from the national capital is one of the factors which make it Chicago's most widely read newspaper.

make it so attractive to readers and so productive for advertisers.

"Products advertised in the Chicago Tribune are the best movers"

—J. J. SAMUELS Chicago Druggist

"I always play ball with the firms which advertise their products in the newspaper," says J. J. Samuels, Chicago druggist for

says J. J. Samuels, Chicago druggist for twenty-nine years. "And," he adds, "products advertised in the Chicago Tribune are the best movers."

In the Chatham district of Chicago, in which the Samuels store is located, there are 17,646 families who buy 11,459 copies of the Tribune on weekdays, and 14,176 on Sunday.

As in the Chatham district, the selling influence of the Tribune penetrates deeply into every neighborhood and suburb of Chicago, reaching consumers in all levels of family life, regardless of income grouping, social status or racial origin.

LEADERSHIP BY THE WIDEST MARGIN IN HISTORY

Last year the Chicago Tribune printed 68% more total advertising than any other Chicago newspaper. This was the largest per-

On watch at the capital...Spot news pictures in color...Visitors...Box car figures...For less than an ice-cream cone...Best moving products...About automobiles...Leadership.

TOWER

centage of leadership for any year on record.

During each of the past 30 years as far back as the records go—the Tribune has led all other Chicago newspapers in total volume of advertising.

In 1938, the Tribune led in retail advertising, general advertising, department store advertising, automotive advertising, financial advertising and want advertising.

This supremacy as Chicago's universal advertising medium is based on the Tribune's position as a news publication.

Because the Tribune gives readers more for their money, it has won the circulation, the reader-interest and confidence, which enable it to give

advertisers more for their money.

BOX CAR NUMBERS DEPT.

During 1938, the Chicago Tribune printed 799,826 individual want advertisments, or 402,141 more than were printed by any other Chicago newspaper during the same period.

60,685 callers

Last year 60,685 persons hailing from every state in the union and many foreign countries visited the home of the Chicago Tribune. Some came to admire the architectural beauties of Tribune Tower at close range; others to inspect the workings of the Tribune editorial and mechanical departments. Coming as individuals and in groups, visitors to the Tribune are from every walk of life, lay and professional—school children, journalism students, engineers, stage and screen celebrities, men and women attracted by the desire to see how a great newspaper is produced.

Auto Sales Note

Sales of new passenger automobiles in Cook County (Chicago) during December totaled 8,943—the largest for any month since August, 1937. It was the first time in history that December sales topped those in every other month.